

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



LEGISLATIVE HISTORY

Public Law 528—77th Congress

Chapter 247--2d Session

H. R. 6868

TABLE OF CONTENTS

Digest of Public Law 528 . . . . .	1
Index and Summary of History on H. P. 6868 . . . . .	2





## DIGEST OF PUBLIC LAW 528

SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION ACT, 1942. Increases the salary of the Assistant Director of the Budget Bureau of \$10,000. Appropriates \$800,000 additional to the Civil Service Commission for national defense activities. Appropriates \$3,000,000 additional to the Office of Education for education and training of defense workers. Appropriates \$12,500,000 to the Public Buildings Administration for emergency safeguarding of public buildings and property from sabotage, etc. Appropriates \$3,413,394 additional for salaries and expenses of administration of public buildings and grounds in and near D. C.

Appropriates to the Department of Agriculture: National forest protection and management, \$500,000 additional. Emergency forest-fire control, \$5,000,000, providing that expenditures on non-federal lands shall be matched by State and local agencies, and that the alien-employment provisions of the Agricultural Appropriation Act shall not apply to persons employed under this appropriation for less than 60 days on such emergency work involving loss of human life or destruction of property. Control of incipient and emergency outbreaks of insect pests and plant diseases, \$1,750,000. Emergency guayule rubber project, \$4,200,000, from which previous allocations from the emergency funds for the President are to be repaid.

Appropriates \$812,000 to the Interior Department for fire protection of forests, forest industries, and strategic facilities. Appropriates \$300,000 additional to the Lands Division, Justice Department.

Makes certifying rather than disbursing officers responsible for correctness of computations under Public Law 389 - 77th Congress.

Provides for limitation on profits obtained from defense contracts with the War Department, Navy Department, and Maritime Commission.

Restricts employment of aliens with these appropriations.

Permits the \$750 limitation, provided in the Treasury-Post Office Departments Appropriation Act on the price to be paid by the Government for motor-propelled passenger-carrying vehicles, to be increased by such amounts as the Director of Procurement (in the case of this Department) may determine, but not over \$925; and repeals the limitation upon the amount which may be spent for maintenance, upkeep, and repair of such vehicles.



## INDEX AND SUMMARY OF HISTORY OF H. R. 6868

March 16, 1942	Hearings: House, H. R. 6868, Pt. 1.
March 21, 1942	Hearings: House, H. R. 6868, Pt. 2.
March 27, 1942	House Committee on Appropriations reported H. R. 6868. House Report 1956. Print of the bill as reported.
March 28, 1942	House debate began on H. R. 6868. Passed with amendments.
March 30, 1942	H. R. 6868 was referred to the Senate Committee on Appropriations. Print of the bill as referred.
March 31, 1942	Hearings: Senate, H. R. 6868.
April 4, 1942	Senate Committee reported H. R. 6868 with amendments. Senate Report 1257. (Print of the bill as reported not available).
April 6, 1942	Senate debate began on H. R. 6868.  Amendments proposed by Senators Taft, McKellar, Nead, and Pepper. Prints of the amendments.
April 7, 1942	Senate debate concluded. Passed Senate with amendments.  Senate Conferees appointed.
April 9, 1942	Print of the bill with the amendments of the Senate numbered.
April 15, 1942	House Conferees appointed.
April 18, 1942	House received the Conference Report. House Report 2030.
April 21, 1942	House agreed to the Conference Report.
April 23, 1942	Senate agreed to the Conference Report.
April 28, 1942	Approved. Public Law 528.









# House of Representatives

FRIDAY, MARCH 27, 1942

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, we lift up our hearts to Thee; hear our prayer in Thy dwelling place, and when Thou hearest, forgive. Back of the call of the human soul is the King of Glory who came from the heights of an infinite throne to the crimson depths of the cross that He might put into our breasts the rhythm of unearthly peace. Enable us to touch even the rim of that other worldliness that breaks through the spirit of a narrow vision and gathers up our motives and endeavors and bears them to the throne of grace.

Oh, that the quiet, solemn influence of these days might inspire men to lay their ambitions, their opportunities, and the needs of their souls at the footstool of divine sovereignty. His profound grief burst from His lips as He looked tearfully upon the city that would soon be prostrated in the dust of the oppressor. O Thou who art clothed with the royalty of the eternities and waiting with matchless patience, lift us into the upper spaces of spiritual aspiration. At Thine altar may we rededicate ourselves to the loyal service of the Master who came to bind up the brokenhearted, to proclaim liberty to the captives, and to open the prison to them that are bound. O Thou chosen Son of the living God, fling Thy light across the soul of this sick world that it may turn to Thee, live like Thee, and work with Thee. In our blessed Redeemer's name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 5784. An act to consolidate the police and municipal courts of the District of Columbia, and for other purposes; and

H. R. 6005. An act to authorize cases under the Expediting Act of February 11, 1903, to be heard and determined by courts constituted in the same manner as courts constituted to hear and determine cases involving the constitutionality of acts of Congress.

## EXTENSION OF REMARKS

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a copy of A Surgeon's Prayer in Wartime, by Col. John J. Moorehead, of the Army Medical Corps, written by him on Christmas night at the Tripler General Hospital in Honolulu.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BECKWORTH. Mr. Speaker, I have two requests: To revise and extend my remarks and to include some letters with reference to farm labor, and to extend my remarks with reference to the charging of fees by unions, and to include excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matters referred to appear in the Appendix.]

Mr. GIBSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a circular letter written by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LUDLOW. I desire to submit two requests: First, to extend my own remarks in the RECORD and to include two resolutions by the Indianapolis Newspaper Guild; and, second, to extend my remarks and include a telegram from Katharine Hepburn, the movie actress.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

## WHERE IS THE MONEY GOING?

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MCGREGOR. Mr. Speaker, in checking the record, I find that in the first 263 days of the fiscal year 1941, up to March 20, the administration has spent \$19,000,000,000, or an average of more than \$70,000,000 per day, \$2,916,666 per hour, \$48,611 per minute. On March 20, 1942, expenditures were \$138,000,000 per day, \$5,149,200 per hour, \$85,820 per minute.

If this money is for national defense and is spent wisely, the people will bear the burden without a murmur. But is it being spent wisely? Let us look at the record.

First. Excess profits on war contracts. Mr. W. S. Jack, president of Jack & Heintz, Inc., of Bedford, Ohio, makers of airplane parts, testified under oath that

his company had paid out \$600,000 in bonuses during last year. Adeline Bowman, secretary to the president of this company, testified that she had received in bonuses \$18,295 for the first 10 weeks of this year. And all the money came from the Government.

Second. Nonessential expenditures: The records show that the Office of Civilian Defense has 69 sports coordinators to teach the people badminton, archery, billiards, code ball, miniature golf, marbles, bowling, bag punching, canoeing, and weight lifting.

In behalf of the people of the Seventeenth District of Ohio, I raise my voice in criticism and protest against this wasteful expenditure of money. Let us find out who is responsible for this waste and see that it is stopped immediately.

[Here the gavel fell.]

(Mr. MCGREGOR asked and was given permission to revise and extend his remarks.)

## USE OF COPPER BY RURAL ELECTRIFICATION ADMINISTRATION

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FADDIS. Mr. Speaker, on March 5, 1942, Special Committee No. 3 of the House Committee on Military Affairs published a report of its investigations regarding the R. E. A. and copper. This report raised somewhat of a storm of criticism at that time, but I rise now to call the attention of the House to the fact that Mr. Nelson has banned copper to the R. E. A. for the duration of the war, and has cut 3,200 tons from the allocated supplies. Mr. Speaker, I feel that the judgment of the committee has been vindicated in this respect.

[Here the gavel fell.]

## SIXTH SUPPLEMENTAL DEFENSE APPROPRIATION BILL

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes (Rept. 1976) which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. TABER. Mr. Speaker, I reserve all points of order against the bill.

## TO INCREASE FLYING HOURS OF AIR PILOTS

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. BULWINKLE].



Mr. BULWINKLE. Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce I ask unanimous consent for the immediate consideration of the bill (H. R. 6799) to increase the monthly maximum number of flying hours of air pilots, as limited by the Civil Aeronautics Act of 1938, because of the military needs arising out of the present war.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. HALLECK. Mr. Speaker, reserving the right to object, I take it that the gentleman will make an explanation of the bill. There are a few suggestions that I would like to make in connection with it.

Mr. BULWINKLE. I will be glad to make an explanation.

The facts are these: There are a number of pilots on the civil aviation lines and the War Department is desirous of having these pilots or some of them for ferrying planes and for other purposes; therefore in order to do that without detriment to the service, the number of flying hours is increased from 85 to 100 a month. That will release, I think, about 240 pilots.

Mr. HALLECK. Mr. Speaker, further reserving the right to object, and I do not intend to object, because I think this bill should be adopted; but I would like to say to the membership, as the gentleman from North Carolina has pointed out, this bill seeks the amendment of section 401, subsections (1) (1) of the Civil Aeronautics Act of 1938. That act incorporated by reference the so-called Decision 83 of the National Labor Board rendered in 1934. The issue involved was in an action by the air-line pilots over wages.

In making this decision the Labor Board found that the maximum number of hours to be flown by a commercial air-line pilot in any 1 month should be 85, and it is that limitation which the bill seeks to change. It will release a number of pilots for military service. At this point, in order that the House may understand it, I want to say that the limitation of 85 hours was to prevent technological unemployment rather than to prevent unsafe conditions of operation on the air lines, and in support of that I read from the decision:

The industry is on the threshold of technological improvements which will greatly accelerate the speed of airplane travel and which may result in some technological unemployment. The increase of speed will either greatly increase the mileage covered by the pilots or materially reduce their monthly hours of employment.

There is no question but what the Army needs trained flyers and it should have them if the interest of safety will not be adversely affected. I think it is clear that the interests of safety will not be affected.

At no time has any Government agency found that the 85-hour limitation is necessary in the interest of safety. The civil air regulations of the Civil Aeronautics Board provide 100 hours as the monthly maximum for pilots.

Just one thing more. When the representative of the Air Line Pilots Association was before the committee he said he

did not have definite authority to make any commitments for his organization, but that the matter had been discussed, and it was not contemplated that the pilots would ask for anything other than straight time for the additional 15 hours of flying time that would be granted under the maximum that will be provided in this bill.

Mr. BULWINKLE. That is correct.

Mr. LUTHER A. JOHNSON. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. I think the bill is all right, and it is proper for the civilian pilots who are in the Reserve Corps to serve in this emergency. There is only one observation I care to make, however. I understand that a few of these civilian pilots, who are Reserve officers in the Army, have already been called into active service. Some of them have been called without giving adequate notice. In other words, I understand that in a few instances they were notified to report within 3 days.

Mr. BULWINKLE. That is a matter which should be taken up with the Committee on Military Affairs.

Mr. LUTHER A. JOHNSON. I thank the gentleman.

Mr. BULWINKLE. I wish to briefly make a statement about this legislation.

The provisions of this bill, H. R. 6799, are temporary in character and operative concurrently with the prosecution of the present war. The bill does not amend any of the provisions of existing law, but it does suspend for the duration of the war the limitation contained in the Civil Aeronautics Act of 1938, under which the maximum number of flying hours of air pilots is fixed at 85 hours per month.

This standard requirement of 85 flying hours per month for air pilots was fixed through a decision of the National Labor Board under date of May 10, 1934, which is identified as decision No. 83, of the National Labor Board. The provisions and terms of that decision as they affect air-line pilots were carried into statutory law by enactment of paragraph (1) of subsection (1) of section 401 of the Civil Aeronautics Act of 1938, which reads:

Every air carrier shall maintain rates of compensation, maximum hours, and other working conditions and relations of all of its pilots and copilots who are engaged in interstate air transportation within the continental United States (not including Alaska) so as to conform with decision numbered 83 made by the National Labor Board on May 10, 1934, notwithstanding any limitation therein as to the period of its effectiveness.

This bill results from the voluntary offer of the pilot members of the Air Line Pilots Association, as their contribution to the Nation's war effort, to waive this provision of law relating to monthly maximum number of flying hours and consent to flying 15 additional hours per month, or a maximum of 100 flying hours per month, under regulations promulgated by the Civil Aeronautics Board.

During the hearings on this bill before the committee, Mr. David L. Behncke,

president of the Air Line Pilots Association, stated on behalf of the pilot members of that association—

The pilots feel they want to do what they can for their country in its hour of dire need, we are willing to defer the effects of the 85-hour limitation and to fly with no limitation on flights that are purely for military purposes for the duration of the war.

Brig. Gen. Donald H. Connolly, Military Director of Civil Aviation, has stated:

The pilots are making a patriotic gesture by volunteering to work these extra hours.

Mr. Charles I. Stanton, Acting Administrator of the Civil Aeronautics Administration, has stated publicly that—

Behncke didn't act on his own but consulted the pilots' unit representatives. The pilots approved it. Verbally and in writing we have received promises of their fullest cooperation, and I am sure that we can count upon it.

The bill provides for certain flexibility with regard to the extra 15 flying hours which the pilots agree to work. Authority is given to the Civil Aeronautics Board by regulations: First, to fix the maximum number of flying hours at less than the 100 hours provided for by the bill if the Board, after consultation with the Secretary of War and the Secretary of the Navy finds that, as to 1 or more air carriers, the flying of 100 hours is not required for military needs of the armed forces; and second, to authorize the flying beyond the maximum of 100 hours to such extent as may be found necessary to complete a particular flight for military purposes.

No opposition to the bill was expressed during the hearings before the committee. Unanimity of support has been expressed by the Civil Aeronautics Board, the Civil Aeronautics Administration, the Department of Commerce, the Army air forces, the Bureau of Aeronautics of the Navy, and the Bureau of the Budget.

The early enactment of the bill is of emergency importance to the prosecution of our war efforts. The committee recommends its prompt passage.

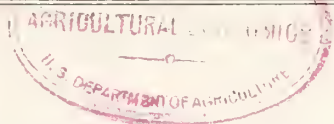
The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BULWINKLE]?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the maximum flying hours in interstate air transportation prescribed by paragraph (1) of section 401 (1) of the Civil Aeronautics Act of 1938, as amended, shall be 100 hours of flying per month: *Provided*, That, to the extent the Civil Aeronautics Board finds, after consultation with the Secretary of War and the Secretary of the Navy or their designated representatives, that the maximum hereinabove prescribed is not required by reasons of the military needs of the armed forces of the United States, the Board may fix, from time to time, by regulation applicable to 1 or more air carriers, the maximum flying hours at less than 100 hours: *Provided further*, That the Board, in accordance with such procedure as it may prescribe, may authorize the maximum flying hours hereinabove provided for to be exceeded to the extent necessary to complete a particular flight for military purposes.

Sec. 2. Every air carrier shall comply with the regulations fixed by the Board hereunder.





SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

MARCH 27, 1942.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. CANNON of Missouri, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6868]

The Committee on Appropriations submits the following report in explanation of the accompanying bill entitled "A bill making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes", the sixth supplemental national defense appropriation bill, 1942.

ESTIMATES AND APPROPRIATIONS

The bill is based upon Budget estimates submitted by the President in House Documents of the present session Nos. 627, 632, 642, 645, 646, 648, 650, 652, 653, 656, 657, 662 to 678, inclusive, 680, and 682, involving Budget estimates for direct appropriations of \$18,387,751,637 and contract authorizations of \$150,400,000, a total of \$18,538,151,637.

The amounts recommended in the bill consist of \$18,156,947,148 of direct appropriation and \$145,000,000 of contract authorization, a total of \$18,301,947,148.

The bill is less than the Budget estimates by \$230,804,489 in the direct appropriations and \$5,400,000 in the contract authorizations, an aggregate decrease of \$236,204,489.

The amounts recommended, compared with the Budget estimates and separated according to the three titles, are as follows:

Title	Budget estimates	Amounts recommended in the bill	Decrease (—)
Title I—Military activities of the War Department:			
Direct appropriations-----	\$17, 579, 311, 253	\$17, 375, 959, 445	— \$203, 351, 808
Title II—Navy Department and Naval Establishment:			
Direct appropriations-----	700, 924, 000	695, 751, 500	— 5, 172, 500
Contract authorizations-----	125, 000, 000	125, 000, 000	-----
Total, Navy-----	825, 924, 000	820, 751, 500	— 5, 172, 500
Title III—General appropriations for civil agencies:			
Direct appropriations-----	107, 516, 384	85, 236, 203	— 22, 280, 181
Contract authorizations-----	25, 400, 000	20, 000, 000	— 5, 400, 000
Total, title III-----	132, 916, 384	105, 236, 203	— 27, 680, 181
Grand total of titles I, II, and III:			
Direct appropriations-----	18, 387, 751, 637	18, 156, 947, 148	— 230, 804, 489
Contract authorizations-----	150, 400, 000	145, 000, 000	— 5, 400, 000
	18, 538, 151, 637	18, 301, 947, 148	— 236, 204, 489

## TOTAL APPROPRIATIONS FOR NATIONAL DEFENSE AND THE WAR EFFORT

Figures are frequently publicized as to the total of appropriations, contract authorizations, and commitments for national defense. It should be recalled that our national defense effort on an enlarged and programmed scale was inaugurated with funds which were appropriated in the middle of the calendar year 1940, or the commencement of the fiscal year 1941. The funds denominated "national defense" include those for the Army, Navy, Maritime Commission, Lend-Lease, and those for other agencies whose activities or the portion of whose activities are directly caused by the defense effort.

A table is included in this report showing all appropriations and contract authorizations for national defense for the fiscal years 1941, 1942, and 1943—(a) that have already been enacted, (b) which are pending before Congress in this and other appropriation bills for both the fiscal years 1942 and 1943, (c) those requested in Budget estimates pending in Congress for the fiscal year 1943 for appropriation bills that have not yet been considered, and (d) the estimated amount that will be required after June 30, 1943, to complete construction of the expanded Navy.

The total amount of all data incorporated in the statement is \$160,889,714,255. This amount, it should be remembered, covers the period of 3 fiscal years—1941, 1942, and 1943, or from July 1, 1940, to June 30, 1943 and is exclusive of funds loaned by the Reconstruction Finance Corporation. Appropriations are authority to enter into contracts and incur bills. They must be made far in advance of the actual delivery of finished goods and in the case of construction of war materials such as airplanes, tanks, plants, guns, ships, and other articles which require a long time to manufacture, the articles are delivered in most instances far in advance of the withdrawal of the funds from the Treasury to make final payment. Appropriations are also made by fiscal years and are available to incur obligations during the fiscal year for which they are titled but remain on the books for 2 successive fiscal years following the titled fiscal year for the payment of the bills incurred in that fiscal year. Thus when this sum of \$160,000,000,000 is referred to as covering 3 fiscal years, or from July 1, 1940, to June 30, 1943, some of it will remain on the books until June 30, 1945, for the payment of obligations that have been entered into prior to July 1, 1943.

There is great need for discussing these large totals with clarity and precision as to the facts, to the end that the public mind is not confused into believing that this total of appropriations and authorizations represents expenditures. Appropriations and authorizations are authority for administrative officers to commit the Government for certain definite and specified purposes by fiscal years as set out in those appropriations and authorizations. Expenditures flow only as the result of appropriations and are the measure of the actual cash disbursed from the Treasury in consequence thereof. Appropriations and authorizations need to be made far in advance in order that programs of orders for material, weapons, naval vessels, merchant ships, and all other war effort requirements may be integrated with the recruitment and training of manpower, and the long-range planning and conduct of the war in the various theaters of action where that war may be fought. The weight of appropriations upon the public finance, as reflected through the levying of taxes and the borrowing of funds

through sale of bonds and otherwise, will be evidenced through the Budget requirements from year to year based upon the expenditures from these and other appropriations as each fiscal year is met. The expenditure burden is already heavy in this fiscal year. It will be heavier in the next fiscal year—1943—and beyond that it will be determined by the course of the war. As appropriations are necessary far in advance to permit of long-range planning and integration of programs, it is apparent that they must continue to be made as far ahead as necessary so long as the war continues.

The following table includes the amounts in this bill on the basis of the Budget estimates submitted therefor. However, the reductions effected in the Budget estimates for the bill by the committee do not equal an amount which would bring the round total below \$160,000,000,000.

*Appropriations, contract authorizations, and recommendations for national defense fiscal years 1941, 1942, and 1943 (as of Mar. 23, 1942)*

	Army	Navy (including Coast Guard)	Other agencies (including Lend-Lease)	Total
<b>Fiscal year 1941:</b>				
Appropriations enacted.....	\$8,483,708,958	\$3,629,233,790	\$8,338,531,908	\$20,451,474,656
Contract authorizations enacted.....	5,006,589,651	871,769,817	389,000,000	6,267,359,468
Subtotal.....	13,490,298,609	4,501,003,607	8,727,531,908	26,718,834,124
Deduct appropriations included above to liquidate contract authorizations <sup>1</sup> .....	352,093,444	86,647,100	221,500,000	660,240,544
Net total 1941.....	13,138,205,165	4,414,356,507	8,506,031,908	26,058,593,580
<b>Fiscal year 1942:</b>				
Appropriations enacted.....	58,033,709,528	16,726,202,466	16,360,557,082	91,120,469,076
Contract authorizations enacted.....	183,145,695	687,818,894	3,791,000,000	4,661,964,589
Supplemental items:				
Appropriations.....	17,579,311,253	700,974,000	36,185,457	18,316,470,710
Contract authorizations.....		25,000,000	25,400,000	50,400,000
Subtotal.....	75,796,166,476	18,139,995,360	20,213,142,539	114,149,304,375
Deduct appropriations included above to liquidate contract authorizations <sup>2</sup> .....	4,276,580,695	615,453,690	354,111,226	5,246,145,611
Net total 1942.....	71,519,585,781	17,524,541,670	19,859,031,313	108,903,158,764
<b>Fiscal year 1943:</b>				
Appropriations recommended in 1943 Budget.....	<sup>3</sup> 5,468,091,747	<sup>4</sup> 14,047,891,674	<sup>5</sup> 1,323,161,955	20,839,145,376
Contract authorizations recommended in 1943 Budget.....		<sup>4</sup> 500,000,000	90,000,000	590,000,000
Supplemental items: Appropriations.....			2,913,417	2,913,417
Subtotal.....	5,468,091,747	14,547,891,674	1,416,075,372	21,432,058,793
Deduct appropriations included above to liquidate contract authorizations.....	<sup>3</sup> 730,365,695	825,575,021	1,085,177,184	2,641,117,900
Net total, 1943.....	4,737,726,052	13,722,316,653	330,898,188	18,790,940,893
Net total, 1941, 1942, and 1943.....	89,395,516,998	35,661,214,830	28,695,961,409	153,752,693,237
Estimated appropriations required beyond 1943 to complete construction of the expanded Navy.....				7,137,021,018
Total.....				160,889,714,255

<sup>1</sup> Includes liquidations of 1940 and prior contract authorizations, as follows: Army, \$156,921,988; Navy, \$58,087,100; other agencies—Maritime Commission, \$144,500,000.

<sup>2</sup> Includes liquidation of 1940 contract authorizations for Army of \$12,382,500, and for Maritime Commission of \$95,981,258.

<sup>3</sup> Exclusive of \$920,000,000 originally recommended in Budget for 1943 appropriation, now appropriated in Public Law 474 as 1942 to liquidate 1941 and 1942 contract authorizations.

<sup>4</sup> 1943 Naval Appropriation Act, Public Law 441.

<sup>5</sup> Includes items in 1943 independent offices, Departments of Justice, State, Commerce, and War Department (civil functions) Appropriation Acts as passed the House.



## TITLE I—WAR DEPARTMENT

The estimates upon which this title are based are contained in House Document 680. They propose additional appropriations for the Military Establishment for the fiscal year 1942, to be continued available until June 30, 1943, totaling \$17,579,311,253.

There have been previously made available for the Military Establishment for the fiscal year 1942:

Direct appropriations, aggregating-----	\$58, 032, 918, 244
Contractual authority, aggregating-----	183, 145, 695
Total-----	58, 216, 063, 939

The committee recommends appropriations in the accompanying bill totaling \$17,375,959,445, which, if approved, would bring the 1942 total to \$75,408,877,689, exclusive of the amount of contractual authority above indicated.

The amount proposed by the committee is \$203,351,808 less than the total of the Budget estimates, accounted for, briefly, as follows:

Pay of the Army (for pay of members of Army Specialist Corps) ..	\$2, 218, 100
Army transportation (amount estimated for vessel charter deferred for appropriation to War Shipping Administration upon actual cost basis)-----	56, 499, 798
Military posts (10 percent lesser amount than estimated for construction of new camps, and an additional amount of \$1,674,500 for emergency bridge construction), net-----	96, 656, 750
Ordnance service and supplies, Army (suggested reduction by Ordnance Department)-----	47, 977, 160
Total-----	203, 351, 808

The estimates provide for—

(a) Operation and maintenance to June 30, 1942, of an army expanding to a strength of approximately 3,600,000 by December 31, 1942.

(b) Reimbursement of funds temporarily diverted to urgent projects during the emergency period.

(c) Necessary construction to provide for authorized increases in the Army.

(d) Airplane procurement program.

(e) Equipment program for the air force expansion.

(f) Equipment for the air force school program.

(g) Operation, maintenance, and construction for defense aid activities.

A connected and concise explanation for all will be found in the statement of Lieutenant General Somervell, commander, Services of Supply, appearing on pages 4-12, part II, of the hearings, although much of such statement has been deleted for military reasons. The committee was presented with seven folders of data in support of the estimates, and these formed the bases of its detailed inquiry of Lieutenant General Arnold, commander, Air Forces, and the officials in charge of the other agencies of the Department having direct cognizance of the matters involved, much of whose testimony it is not wise to publish. The additional amounts proposed by the committee are deemed to be essential to the prosecution of the war. Contractual authority would suffice in a number of instances, but, if availed of, as it no doubt would be, there would be nothing to gain by resorting to such a course in place of outright appropriations.

Airplane expansion and personnel expansion are the prime considerations in the instant estimates. These and their collateral objects account for all but a relatively small percentage of the total, apart from defense aid.

As to airplane expansion, the estimates provide for the second step by the War Department to meet the President's objectives, as set forth in his speech of January 6, 1942, for the production of 60,000 airplanes in the calendar year 1942, and 125,000 airplanes in the calendar year 1943. Provision was contained in the Fourth Supplemental National Defense Appropriation Act, 1942, approved January 30, 1942, for the first step, namely, 33,000 completed airplanes. As the second step, these estimates provide for an additional 31,070, and the final step, involving a somewhat lesser number, will be requested in the not distant future.

The total amount for airplanes, complete with spares and radio and ordnance, is approximately \$6,990,000,000.

The additional planes make necessary additional ground facilities, organization equipment for a larger number of operating units, an increase in the pilot output, and a considerable step-up in operating and maintenance personnel both aground and aloft. The added expense for such purposes is in the neighborhood of \$3,680,000,000.

On the personnel side, it may be well to repeat the statement in the committee's report on the fifth supplemental national defense appropriation bill, 1942, which became a law on March 5, 1942. Therein it was stated—

\* \* \* The ultimate matériel and personnel demands obviously are unpredictable. The new immediate personnel objective has been determined upon as approximately 3,600,000, or about double the number for whom provision heretofore has been made in the way of essential items and roundly 600,000 more than the number for whom provision heretofore has been made in the way of critical items. The accompanying measure looks to outfitting and implementing a force of such proportions, of providing combat maintenance therefor, and provides for a reserve of certain types of matériel in the critical category for a somewhat larger force, as well as production facilities adequate to the extent it is now practicable to determine to provide for all foreseeable war needs. \* \* \* *Neither the estimates nor the accompanying bill \* \* \* include any funds for pay of additional personnel or for housing additional personnel. Estimates for such purposes are now in course of preparation.* \* \* \*

As indicated in the foregoing, matériel provision came first. Using personnel follows. The bill provides for the pay, subsistence, training, transportation, and otherwise caring for such expansion as will occur before July 1, next, and for housing for a strength of approximately 3,600,000 men by December 31, 1942. The cost is approximately \$2,050,000,000.

In addition to air and personnel, there are incidental and added maintenance and operation charges, and a large expense (roundly \$450,000,000) for storage and shipping facilities, which are occasioning increasingly larger outlays. For all of such purposes and a number of miscellaneous projects the money needs run in excess of \$2,500,000,000.

In addition to our own needs, the bill, in agreement with the Budget estimates, provides an additional amount of \$2,220,000,000 for defense aid. Authority previously has been granted to transfer defense articles, including information and services, procured out of War Department appropriations, to the value of \$17,250,000,000. The instant proposition involves outlays for the following purposes:

Aircraft equipment and parts-----	\$891, 610, 000
Transportation services:	
Ferry command-----	316, 604, 000
Other-----	350, 000, 000
Regulating depots-----	105, 576, 895
Services overseas-----	356, 423, 000
Contingencies-----	200, 000, 000
Total-----	2, 220, 213, 895

## REDUCTION EFFECTED BY COMMITTEE

With respect to the reductions effected by the committee, the following is submitted:

*Army Specialist Corps.*—By Executive Order No. 9078, approved February 26, 1942, there was authorized to be established in the War Department, under the supervision and direction of the Secretary of War, a corps of uniformed civilian employees to be known as the Army Specialist Corps. The Budget estimates include specific provision for compensating the members of such a corps for the remainder of the current fiscal year, and it was indicated to the committee that the expense up to the end of next June for pay purposes alone would approximate \$2,218,000. Such amount contemplates a peak number of 5,950 persons on the rolls prior to July 1, next. The maximum number presently visualized is 150,000, who would serve in Washington and in the field both at home and abroad.

The text of the Executive order follows:

By virtue of the authority vested in me by section 1753 of the Revised Statutes of the United States (U. S. C., title 5, sec. 631) by the Civil Service Act (22 Stat. 403), as amended, and as President of the United States, and for the purpose of obtaining the temporary services of certain qualified civilian employees for the War Department, it is ordered as follows:

1. There is hereby established in the War Department, under the supervision and direction of the Secretary of War, a corps of uniformed civilian employees to be known as the Army Specialist Corps, hereinafter referred to as the Corps. The Corps shall consist of such number of qualified persons, whether or not theretofore upon any civil-service register, as may be appointed to positions therein from time to time by the Secretary of War: *Provided*, that no position shall be included in the Corps which ranks below Grade P&S-2 or Grade CAF-7 established by the Classification Act of 1923, as amended, except by agreement between the War Department and the United States Civil Service Commission.

2. The appointment, assignment, supervision, promotion, regulation, and discharge of members of the Corps, shall be in accordance with regulations to be prescribed from time to time by the Secretary of War.

3. The pay rates of persons appointed to positions in the Corps shall be fixed under the pay scales set forth in section 13 of the Classification Act of 1923, as amended, and in accordance with the provisions of other existing law.

4. Payment of expenses authorized by an act entitled, "An act to provide for uniformity of allowances for the transportation of household goods of civilian officers and employees when transferred from one official station to another for permanent duty", approved October 10, 1940 (54 Stat. 1105), shall be allowed and paid for persons appointed or employed under the provisions of this order when such payment is specifically authorized or approved by such administrative official of the War Department as the Secretary of War may designate to perform such function in his stead and behalf.

5. The responsibility of recruiting persons for the Corps is hereby vested in the Civil Service Commission, which is authorized to exercise such function in conformity with the provisions of this Order without regard to the Civil Service Act and the Rules and Regulations promulgated thereunder. Persons appointed to positions in the Corps shall not thereby acquire a classified civil-service status.

6. Any person occupying a position, other than a temporary position, in the government of the United States, its territories or possessions, or the District of Columbia, may, with the consent of the head of the department or establishment



in which he is employed, be transferred or appointed to a position in the Corps, and shall during the period of employment therein be deemed to be on leave of absence without pay from such position, but shall, upon application within forty days after termination of employment in the Corps, be restored to such position or to a position of like seniority, status, and pay without loss of seniority, retirement benefits, or other benefits.

This order shall remain in force during the continuance of the present war and for six months after the termination thereof.

This is an entirely new proposition. It contemplates a force of quasi military men, some of officer caliber or standing, and others of lesser caliber, but all specialists of one kind or another. All would wear a distinctive uniform. The pay range would be from \$2,300 to \$8,000. The committee went into the matter rather exhaustively (hearings, pp. 182-205, pt. II), and has not given its approval to the matter, primarily because the submission itself suggests the need of specific legislative sanction for disbursing funds for such activity, which, if true, removes the matter from the committee's jurisdiction. On the other hand, the committee entertains the view that if there be a genuine need for the services of persons such as the proposition contemplates, such persons either should be taken into the Army in the manner prescribed by law, employed in a contract capacity somewhat after the procedure applying to contract surgeons, or employed in the usual way as civilians and as a part of the civilian forces engaged with various branches or services. The committee is averse to a quasi-military set-up.

*Army transportation, water.*—There has been a growing need for vessels for cargo and troop movements. For some time it has been necessary to resort to chartering merchant ships, which has been done through the War Shipping Administration. The instant estimates include \$56,499,798 for continuing such course, the amount being predicated, in part, upon specific vessels for specific periods, and, in part, upon a specific number of vessels, upon the assumption that such number would be available for certain specific periods. The "if" factor is very large. The committee feels that the more logical procedure would be for the War Shipping Administration to supply such vessels as may be needed and as may be available, under the law, for transfer to other Federal agencies, and to seek an appropriation from time to time on an actual expense basis, including all appropriate incidental expenses. Such procedure, the committee has been informally advised, would be wholly agreeable to, and, in fact, preferred by the War Shipping Administration. Pursuantly, the committee has eliminated the amount in the estimates (\$56,499,798), which should be classed as a deferment and not a saving, because the actual cost very probably will exceed such amount.

*Military posts.*—For new camps of the cantonment type, theater-of-operations type, hutment type, and tent type, the Budget estimates include \$983,312,500. This is based upon various unit costs, running as high as \$1,250 per man for the cantonment type. The time has arrived for a less pretentious and less durable type of construction. The committee is convinced that the estimate is entirely too high and that the entire job should be accomplished for at least 10 percent less than the total estimated cost. It is proposing a reduction accordingly.

*Ordnance service and supplies, Army.*—The reduction of \$47,977,160 is proposed pursuant to suggestion by the Ordnance Department. It is a duplication of funds made available in the Fifth Supplemental National Defense Appropriation Act, 1942, approved March 5, 1942.



## WOMEN'S ARMY AUXILIARY CORPS

The Budget estimates include a recommendation for the grant of authority to utilize any appropriations available to the Military Establishment, subject to regulations to be prescribed by the Secretary of War, for carrying into effect any law which may be enacted for the establishment of a Women's Army Auxiliary Corps for service with the Army of the United States. The committee is without authority to include funds or to provide for the use of funds for a purpose not authorized by law, and, therefore, has omitted the authorization requested.

## MILITARY ACADEMY

The bill, in agreement with the estimates, includes an amount of \$16,417,000, under the head of "Military posts" for the development of Stewart Field, adjacent to West Point, N. Y., with view to undertaking voluntary flight training at the Military Academy and qualifying cadets as pilots prior to graduation. Actual flight training would not begin until after the second school year. Service with the air forces after graduation would be optional. The project is strongly advocated by the War Department.

## TITLE II—NAVY DEPARTMENT

The matters embraced by this title are based upon proposals contained in House Document 678, and in a letter from the Secretary of the Navy to the chairman of the Committee on Appropriations, dated March 14, 1942. The latter deals exclusively with textual changes.

The estimates, all for the fiscal year 1942, call for—

Direct appropriations, aggregating.....	\$700, 924, 000
Contractual authority, aggregating.....	125, 000, 000
Total.....	825, 924, 000

There have been previously made available to the Navy Department for the fiscal year 1942—

Direct appropriations, aggregating.....	\$16, 722, 718, 497
Contractual authority, aggregating.....	4, 857, 818, 894
Total.....	21, 580, 537, 391

The estimates have been presented under the following appropriation heads:

Direct appropriations:	
Contingent, Navy.....	\$130, 000
Naval prison farms and prison personnel.....	8, 000
Ordnance and ordnance stores.....	183, 692, 000
Aviation, Navy.....	470, 000, 000
Marine Corps:	
Pay.....	4, 756, 000
General.....	9, 395, 000
Coast Guard.....	22, 943, 000
Naval emergency fund.....	10, 000, 000
Contractual authority:	
Increase and replacement of naval vessels, armor, armament, and ammunition.....	100, 000, 000
Repair facilities, Navy.....	25, 000, 000
Total.....	825, 924, 000

The committee has made a reduction of \$5,172,500, and, therefore, recommends—

Direct appropriations, aggregating-----	\$695, 751, 500
Contractual authority, aggregating-----	125, 000, 000
Total-----	820, 751, 500

The reduction is all under the aviation head and applies to photographic equipment, as follows:

	Estimate	Reduction
Aerial cameras-----	\$21, 411, 700	\$5, 000, 000
Motion-picture cameras-----	172, 500	172, 500

The reduction applying to aerial cameras has been made for two reasons, namely, (1) because procurement looks to too distant needs, and (2) the quantity, in conjunction with prior provision, is deemed to be excessive.

The estimate for the motion-picture-camera item contemplates the purchase of 75 electrically operated cameras. There are on hand or in course of procurement 128 motion-picture cameras of different types and less costly types. These will answer purely naval needs, which should be our chief interest and concern when there is fighting to be done. The 75 have an incidental naval value, but are sought, also, for exhibition purposes; possibly, at an appropriate time, through commercial agencies.

The major amounts in the bill apply to Ordnance and Aviation. Under the Ordnance head \$183,692,000 is for ordnance equipment of various kinds, some additional and some replacement; \$100,000,000 is for additional manufacturing facilities, including plant protection, and \$25,000,000 is for proceeding with the provision of repair facilities, this amount being the second and final increment of a \$50,000,000 authorization. The last two propositions account for all of the contractual authority carried by the bill.

Under the Aviation head, roundly \$25,000,000 is for radio equipment and roundly \$215,000,000 is for expanding aviation manufacturing facilities. The remainder, apart from the photographic equipment previously mentioned, is spread over many projects made necessary by the expanding aircraft force. No provision is made for any additional airplanes. A total of \$7,750,000 is included, however, for special types of aircraft.

#### MISCELLANEOUS ITEMS

Taking the other more important items in the bill seriatim, under the head of "Miscellaneous expenses," provision is made for increasing the compensation of a principal radio engineer in the Bureau of Aeronautics from \$5,000 per annum to such rate as may be in accordance with the Classification Act of 1923, as amended. Recommendation was made to lift the present \$5,000 ceiling in three other cases. The committee, also, has included under this head authority to increase the present limitation upon the number of civilian officers and employees who may be employed in the Navy Department proper, at

Washington, from 15,000 to 20,000. The present ceiling is being rapidly approached, and, at the present rate of increase, the proposed new ceiling will be reached before the end of coming July.

*Contingent, Navy.*—The amount proposed under this head (\$130,000) is to be devoted entirely to the procurement of pennants and buttons for award to plants and their employees under the Naval Industrial Incentive Plan.

*Marine Corps.*—The bulk of the funds under this head are responsive to the expansion that has been approved in the strength of the corps and to an acceleration of recruiting. There, also, is an adjustment for growing food costs.

*Coast Guard.*—Further expansion of the Coast Guard has become necessary for the performance of certain additional tasks which it has been assigned pursuant to Presidential order. Besides personnel expenses, it will be necessary to provide a certain amount of housing and some additional equipment, including small boats.

*Naval emergency fund.*—Thus far the Department has been without an emergency fund for unforeseeable needs wherever they may arise. Funds previously provided under this head have been earmarked in advance for certain definite projects. The committee is convinced that the war situation thoroughly warrants the provision of a fund for unpredictable emergencies.

#### DEFENSE AID

The bill includes provision for the transfer of additional defense articles up to the value of \$18,000,000. Authority previously has been granted to transfer defense articles, including information and services, procured out of Navy Department appropriations, to the value of \$6,400,000,000. The committee, at the instance of the Department, has coupled with the instant authorization, the right to transfer articles procured at any time subsequent to March 11, 1941. Prior authorization confines transfers to articles procured from funds contained in Public Law 441, approved February 7, 1942.

### TITLE III—GENERAL APPROPRIATIONS

The totals of the budget estimates and the amounts recommended for agencies included under this title are as follows:

	Budget estimates	Amounts recommended	Decrease
Direct appropriations.....	\$107,516,384	\$85,236,203	—\$22,280,181
Contract authorization.....	25,400,000	20,000,000	—5,400,000
Total.....	132,916,384	105,236,203	—27,680,181

The direct appropriation and contract authorization contained in title III may be classified as follows:

1. Amounts for agencies participating in the war effort or having duties supplemental to, or resulting from, the war effort..... \$69,633,453—67+%
2. Grants to States for old-age assistance (deficiency).... 30,000,000—28+%
3. Amounts for other agencies, supplemental or deficiency... 5,842,750—4+%

The amounts recommended are based upon considerations of the need for funds by the agencies concerned, which, in most instances, are required by April 15, next. The committee has carefully canvassed these requirements with the time factors in mind. Reductions in substantial amounts have been effected in numerous items totaling \$27,440,181, or 20 percent of the total requested.

## HOUSE OF REPRESENTATIVES

Request was made by the Architect of the Capitol to permit the expenditure of \$7,500 for the preparation of space in the Library of Congress Annex building to provide safe storage against enemy action damage to valued documents of the House. The committee has ascertained that suitable space is available in the National Archives Building without expenditure for alterations. Provision is therefor inserted in the bill to permit the Clerk of the House to store the records in the Archives Building subject to his order for access thereto or removal therefrom.

## EMERGENCY PROTECTION OF PUBLIC PROPERTY

Estimates were submitted on behalf of several agencies of the Government having jurisdiction over valuable public property which might be subject to the acts of subversive elements or enemy action. The amounts requested and the amounts allowed by the committee are as follows:

Agency and purpose	Budget estimate	Amount in bill	Decrease
Federal Works Agency: Public Buildings Administration, emergency safeguarding of public buildings and property	\$18,000,000	\$12,500,000	—\$5,500,000
Department of Agriculture: Forest-fire control (emergency)	5,000,000	2,000,000	—3,000,000
Department of Interior:			
Fire protection of forests, forest industries, and strategic facilities	812,000	324,800	—487,200
Protection of mineral resources and facilities, including petroleum	1,179,000	800,000	—379,000
Total	24,991,000	15,624,800	—9,366,200

The plans for the protection of public buildings were formulated by the Federal Works Agency under a directive of the President of January 12, 1942, to cooperate with other officials of the Federal Government in the preparation of plans to safeguard all Federal public buildings in the United States, except those of the War and Navy Departments, against subversive hostile acts and to coordinate those activities with the facility security program of the Office of Civilian Defense and to develop plans for the protection of such buildings and their contents against war damage and for the evacuation and restorage of valuable materials and records. Procedure under the plans depend upon the degree of hazard with respect to each particular building, as determined by the Army and Navy, and the degree of importance of the agency to the war effort. Complete detailed plans of expenditure have not been presented. Outline programs of expenditure both for protection against subversive



action and war damage have been furnished. The committee has made a substantial reduction in the Budget estimate, allowing \$12,500,000 against a request of \$18,000,000. This decrease is not made as an indication of disapproval of the development of the proposed plans. The committee would rather a start should be made upon the protective effort with the amount allowed and furnish additional funds from time to time as the work progresses. Priorities will be given to the most vital portions of the program in the most critical areas and whenever progress has reached the point where additional funds are needed the committee will be glad to give consideration to other requests. Of the amount recommended, not to exceed \$100,000 is made available for transfer to the Architect of the Capitol for protective work in connection with buildings of the legislative group, Library of Congress buildings, the Supreme Court Building, Botanic Garden buildings, and other buildings for which the Architect is responsible for structural and mechanical care.

The other portions of the bill relating to protection of public property were worked out under plans prepared by committees from various interested Federal agencies in cooperation with the Office of Civilian Defense and in consultation with the Federal Bureau of Investigation, the office of Military Intelligence, and the office of Naval Intelligence. The Budget estimates for these three activities total \$6,991,000 and the committee has allowed a total of \$3,124,800, a reduction of \$3,866,200. The Department of Agriculture is charged, through the Forest Service, with the protection of 176,000,000 acres of timber in 160 national forests of which 21,000,000 acres are in Alaska, and the Department of the Interior is charged, through its various bureaus, with the protection of 130,000,000 acres of forests, of which 100,000,000 acres are in Alaska. Many vital war plants and other facilities, such as power lines, water supply, transportation, communication, etc., pass through, are surrounded by, or are adjacent to national forests, particularly in the West and Northwest. Extensive forest fires from natural, subversive, or enemy-attack origin would seriously impede the war effort by interruption to these plants and facilities. A very high percentage of the output of products from these forests is required for the war program. Normal fire-fighting organizations and emergency efforts have served to give protection in ordinary times assisted by the men who could be called upon from nearby Civilian Conservation Corps camps. These latter forces have been greatly decreased and are no longer available in such large numbers. The committee has effected a substantial reduction in the Budget estimate but the amount allowed will be in addition to and practically equal to the sum expended in average years for forest fire-fighting purposes.

The program presented in connection with the protection of mineral resources and facilities and petroleum contemplates a program of assistance to secure adequate protection of mines and the control of explosives, and to secure an interest and directed effort in providing adequate protection of the sources of production of petroleum. The Budget estimate of \$1,179,000 contemplated an allocation of \$811,000 in connection with the work on mineral resource protection and explosive safety control, and \$368,000 in connection with the protective work in petroleum. The committee has allowed \$800,000 for both efforts and desires to indicate that emphasis is placed upon the value

of the proposed plans in connection with minerals and explosives, much lesser value being attached to the effectiveness of the proposal in connection with the petroleum resources. The protection of minerals and explosives will consist largely in stimulating interest to prevent the large amount of explosives used commercially from getting into the hands of persons desiring to use them for sabotage purposes. Federal regulation of explosives is provided by law and there is an estimated minimum of 50,000 and a maximum of 125,000 explosive storage magazines in the country with the possibility of the issuance of 750,000 to 1,000,000 licenses. This vast amount of widely scattered dangerous material is not well safeguarded and adequate steps need to be taken promptly toward that end.

The committee desires to call attention in connection with these protective programs of the possibility of utilization in some instances and localities of the voluntary services of local defense organizations. In many communities in the country large numbers of patriotic, enthusiastic citizens, both men and women, have enrolled for local civilian defense. They are taking training for many types of local defense work and many have completed preliminary organization and preparation and are ready and anxious to perform duties that will contribute to the war effort. Civil agencies of the Government having duties to perform that are supplemental to the prosecution of the war might well consider utilization of this far-flung organization to perform many duties that could be carried on out of normal work hours and perhaps as effectively as by the use of paid personnel. The exploration of the use of this group is recommended to the Office of Civilian Defense and the cooperating committees in connection with various protective and other efforts which the Government must make in connection with the war.

#### DETENTION AND CONTROL OF ENEMY ALIENS

The sum of \$4,750,000 is recommended for the Bureau of Immigration and Naturalization for expenses of detention of enemy aliens committed to its custody and \$1,700,000 is recommended for salaries and expenses of the Alien Enemy Control Unit.

Funds for the Bureau of Immigration and Naturalization for the current fiscal year did not contemplate provision for the detention of alien enemies. It is the duty of that Bureau to provide custodial facilities and maintenance of alien enemies arrested by the Federal Bureau of Investigation and to hold them until they are ordered released or turned over to the War Department for internment for the duration. The total number over which the Bureau has had custodial jurisdiction since the first of the fiscal year is 5,182, and the number remaining in custody as of March 9 was 4,023. The amount allowed provides for custodial and maintenance expenses for those who have been in custody or will be in custody until the close of the present fiscal year. Current funds of the Bureau allotted for regular Bureau functions have been drawn upon for the detention expenses and need to be replaced so that the Bureau may function during the remainder of the fiscal year.

The Alien Enemy Control Unit of the Department of Justice is now operating under an allotment of \$325,000 from the President's emergency fund. The sum of \$1,700,000 allowed in the bill provides

for operation until June 30, 1943, and for reimbursement of the amount so advanced by the President. The alien-enemy population of the United States is 1,100,000, of whom there are approximately 650,000 Italians, 350,000 Germans, and 100,000 Japanese. Existing laws governing alien enemies, dating back to the Act of July 6, 1798, provide that in time of war, after proclamation by the President, all subjects or citizens of any country with which we are at war and who are in this country are subject to the complete control of the President and the Attorney General. The duties of the unit are concerned with the control of alien enemies who are dangerous enough to be apprehended and interned for the duration of the war and the control of the alien-enemy population which is not dangerous enough to be interned. After apprehension by the F. B. I. alien enemies are detained by the Bureau of Immigration and Naturalization until a hearing can be given and permanent detention or release determined. Ninety-five hearings boards have been set up throughout the United States in the various judicial districts composed of three citizens each and serving for \$1 a year. The recommendations of these boards are reviewed in the Alien Enemy Control Unit and the status of the alien for release, parole, or permanent custody finally determined. Reregistration of all of the 1,100,000 alien enemies has been required and the sum recommended includes \$775,000 for payment to the Post Office Department for out-of-pocket expense in performing that duty. Each alien enemy not under detention is issued an identification certificate and may not travel without consent of Federal authority and each such movement so authorized must be entered in the identification book.

#### GUAYULE RUBBER PROJECT

The act of March 5, 1942, authorizes the Secretary of Agriculture to carry on operations and experiments in the production of rubber from guayule and other rubber-bearing plants for the purpose of making available a source of crude rubber for emergency and defense uses. The committee has considered and approved a Budget estimate of \$4,200,000 for this purpose. Initial work under the act has commenced under allocations from the President's emergency fund totaling \$1,634,000 in order that operations might start immediately and advantage taken of seasonal conditions pending the time required to prepare detailed estimates and secure a programmed appropriation.

The amount allowed contemplates purchase of the property of the Intercontinental Rubber Co. including plant, land, nurseries, facilities, patents, and processes at a cost of \$1,721,325 under a contract which has been entered into subject to the granting of the appropriation. The remainder of the approved sum is to be expended for the planting of 2,000 acres of guayule this spring, the preparation of seed beds to provide nursery stock for the planting of 73,000 acres in 1943, and all expenses connected therewith including rental and preparation of land, procurement of equipment, materials, and all other purposes incident to carrying on aggressively and effectively the result sought to be accomplished by the act of March 5, 1942, including experimentation with other rubber-bearing plants. The project has been placed under the jurisdiction of the Forest Service which has approached the duties promptly and with characteristic effectiveness. The project



has prospective potentialities under existing conditions of acute shortage of rubber and high prices which justify proceeding with it. It would be possible to produce a relatively small tonnage of rubber from guayule in the fall of 1943 but this procedure is not recommended as the plants would have only been in the field 1 year and the rubber to be produced from an acreage of guayule in the field for 1 year is less than 350 pounds. The plant is pulled up in its entirety and new stock must be planted. If the plant remains in the ground for 4 years the poundage per acre rises to approximately 1,600, and that has been the procedure of the Intercontinental Rubber Co. in conducting its operations. On the basis of harvesting every 4 years from 75,000 acres the yield of rubber at the end of each 4-year period would approximate 60,000 tons. The output can be increased by planting each year for 4 years a large acreage so that commencing at the end of the first 4-year period a substantial annual tonnage could be harvested. The committee has confined the availability of the funds to the end of the fiscal year 1943 so that Congress may review the progress and determine the situation with reference to future appropriations and has also required, in connection with the appropriation, that any receipts resulting from operations shall be covered into the Treasury as miscellaneous receipts instead of being permanently appropriated without reference to time limit or control of expenditure. Provision is also made for reimbursement to the President's fund of the sum advanced therefrom toward the initiation of the project.

#### TRAINING OF DEFENSE WORKERS

The sum of \$3,000,000 is recommended under a Budget estimate of \$9,000,000 for increasing, during the remainder of the current fiscal year, the training program conducted by the Office of Education through grants to public agencies in the various States for conducting training programs in short courses of college grade designed to meet the shortage of engineers, chemists, physicists, and production supervisors in fields essential to national defense. The appropriation for this purpose for the current fiscal year is \$17,500,000 which was estimated to be sufficient to train 278,600 trainees. The number actually approved for enrollment to March 13 last is 299,156 and it is estimated that the enrollments for these courses might reach more than half a million by June 30. With the conversion of industry to war effort on a 50-percent basis of total production facilities of the Nation, the committee is advised that there is great demand for technical personnel of the type to be trained, including qualified inspectors for the Ordnance Department, and that this need can be met by conducting these short courses.

Authority is also granted to the Office of Education, in connection with the conduct of training courses for defense workers of less than college grade now confined to vocational schools of public agencies, vocational schools exempt from taxation, colleges and universities, to utilize private schools and other private facilities where equipment for such training is available. The committee is advised that the accelerated demand for trained workers makes it necessary to utilize all equipment that is already available. Approximately 400 schools of this character already have equipment available for training pur-



poses and the authority granted can be exercised within the limits of the current appropriation for this type of preemployment and refresher courses.

An additional amount of \$90,000 for the Department of Labor for the remainder of the current fiscal year to accelerate the apprenticeship-training program is not allowed.

#### SOCIAL SECURITY BOARD

The sum of \$30,000,000 is recommended for grants to States for old-age assistance. This amount is a deficiency resulting from the increase in both the number and monthly payments made by the States under existing law and to which the Federal contribution is committed by law. The appropriation for the current fiscal year is \$270,000,000. Payments to States are made by quarters and the Board estimates requirements for the third quarter at \$79,000,000 and the amount on hand to meet this sum is \$49,000,000, leaving a deficiency of \$30,000,000. Under approved State plans, the number of recipients in January 1941 was 2,075,000 and the average payment per recipient was \$20.49 compared with 2,247,000 recipients and an average payment of \$21.46 in January 1942—an average increase of \$1 per month per recipient and an increase in recipients of 172,000. Expenditures for grants to States for this assistance have increased from \$208,000,000 in the fiscal year 1939 to the estimate for the fiscal year 1943 of \$329,000,000.

The committee recommends an item of \$10,000,000 for grants to States for administrative expenses in connection with operation of State unemployment compensation laws and for the operation of public employment offices in the various States which since January 1, last, have been operated by the Social Security Board on a full Federal-cost basis instead of being operated by the States on the 50-50 basis of State and Federal funds. The sum required to meet the deficiency in State budgets approved by the Social Security Board for unemployment compensation administration grants under existing law is \$5,832,498 and the amount necessary to be restored to the appropriation on account of full Federal cost in operation of public employment offices is \$3,150,396, a rounded total of \$8,980,000. The remainder of the Budget estimate, \$3,520,000, toward which the committee has allowed \$1,020,000, consists of \$2,550,000 for analysis, at the request of the Selective Service, of questionnaires sent out by that agency to ascertain occupation skills of men in the age groups 20 to 44 registered in the draft, \$442,000 for extension of farm-placement service to provide for mobilization of farm labor supply by establishing 400 employment offices in critical agricultural counties, \$230,000 for expansion for handling additional activities related to the war-production effort including the responsibility assigned to the United States Employment Service by the War Production Board, and \$298,000 for salary adjustments resulting from State action in raising salaries of State employees.

#### ACCESS ROADS

A contract authorization of \$20,000,000 under a Budget request of \$25,400,000 is recommended for access roads under the provisions of section 6 of the Defense Highway Act approved November 19, 1941.

This section authorized the appropriation of \$150,000,000 for construction of access roads, when certified by the Secretary of War or the Secretary of the Navy as important to national defense, to military and naval reservations, defense industries, defense industry sites, and to sources of raw material. Under the authorization of \$150,000,000, there has been made available by previous appropriation and contract authorization a total of \$124,600,000, leaving a balance in the authorization unappropriated of \$25,400,000 toward which the committee now recommends a contract authorization of \$20,000,000. As of March 13 there had been certified by the Secretary of War and Secretary of the Navy a total of access-road construction of \$120,377,000. The projects approved total \$139,000,000, the difference of \$19,000,000 representing projects under review for certification. The committee was further advised that, based upon plant construction and expansion, an increase in the authorization of \$150,000,000 would be requested from Congress. In making the decrease of \$5,400,000 in the requested contract authorization the committee has been advised that some projects constructed under this program are more elaborate than the circumstances of the access needs warrant and that lesser appropriations will suffice if the projects are planned on a strict utility basis of war need.

#### OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

Budget estimates totaling \$2,929,720 are recommended for enforcement of safety regulations and construction and operation of air-navigation facilities to supplement appropriations for the current fiscal year. This agency has war functions of primary importance to perform, most of them at the request of the Army and Navy. Movement of aircraft, military and civil, in the United States and its possessions is dependent for facility and safety of operation upon its services. The rapidly growing numbers of military aircraft and their constant movement in training and defense missions render it highly important that the agency perform its duties in a prompt, reliable, and efficient manner.

The funds recommended provide for expenses incident to the program of reidentification and determination of loyalty of approximately 160,000 licensed civil air pilots undertaken at the request of the War Department, the training of airway operating and maintenance personnel to replace experienced personnel who will be drawn in the selective service, funds incident to the operation of additional airway aids and traffic-control towers and the acceleration of the air-traffic control program, and construction costs incident to provision of additional air-navigation facilities (principally in Alaska) and funds required because of increased costs in prices paid for essential air-navigation equipment. In connection with the increased cost of equipment the committee desires to call to the attention of the Office of Price Administration and the War Production Board and to the House membership the data and information appearing on pages 338 to 351 of part I of the hearings on this bill. The data furnished indicate that various types of equipment increased in cost from a minimum of 22 percent for one type to a maximum of 126 percent for another type from the middle of calendar year 1940 to January and February of this year. Labor and material costs have risen during this period and Government agencies have been competing against each

other for the procurement of a type of equipment of which the Government is the largest user. The committee has received no complete explanation for the apparently exorbitant increases and as the needs must be met promptly in order to assure safety of air navigation the purchasing agency is at a disadvantage. Some action should be taken at once by appropriate Federal authority to protect the Government's interest. Of the \$1,940,000 for air-navigation facilities, the sum of \$1,200,000 represents increased costs on purchase of equipment and construction of air-navigation facilities involving a total cost of less than \$19,000,000. Of the \$1,940,000 additional for air-navigation facilities, the sum of \$1,613,500 is for operations in Alaska which are vitally and urgently needed.

#### INSECT PEST CONTROL

An appropriation of \$1,665,000 under a Budget estimate of \$1,850,000 is recommended to enable the Department of Agriculture to carry on during the next year the work of control of incipient and emergency outbreaks of insect pests. This activity has been financed on a calendar-year rather than a fiscal-year basis in order to implement the Department with funds early in the spring and for that reason has been carried in supplemental or deficiency bills. The total of \$1,665,000 plus the unobligated balance (February 1, 1942) in the previous appropriation, \$514,700, makes a total availability for the 1942 season of \$2,179,700. This sum represents a substantial reduction in these programs during the past 5 fiscal years during which the average yearly expenditure by the Federal Government has been \$2,875,000. The funds are devoted primarily to the control of grasshoppers, Mormon crickets, chinch bugs, whitefringed beetle, and the pear psylla. State cooperation in the control and eradication work has been substantial and is expected to continue.

#### FOREIGN PROPERTY CONTROL

Amounts of \$30,412 for the fiscal year 1941 and \$2,500,000 for the fiscal year 1942 are recommended for salaries and expenses of Foreign Property Control activities of the Treasury Department. The sum for this fiscal year represents the amount required for the period March 1 to June 30, 1942, and will carry the organization and expenses on the present basis without further expansion, making a total appropriation for the current fiscal year of \$6,250,000. This control now extends to the property of 36 countries and their nationals having a total value subject to regulation of \$7,500,000,000, a list of which appears on page 295 of part I of the hearings. Recently there has been established the Office of Alien Property Custodian whose duty it is to vest title to certain enemy property and either operate or liquidate it. No doubt the functions of the Alien Property Custodian as the situation develops will lessen the duties of the Foreign Property Control Unit and should relieve the latter agency of some part of its expense. The committee also feels that, with the task of bringing the largest proportion of foreign property under control completed, the duties of the Treasury Department in operation and policing should be considerably less than the combined task has heretofore been. Foreign property control is a distinct advantage to the United States in maintaining economic warfare against its enemies and at the same time it is



also a decided protection to the nationals of other governments whose property is under our control. No charge is made to any of the persons whose property is so controlled and safeguarded and the committee feels that the Treasury Department should initiate steps looking to reimbursement to the United States at least of the out-of-pocket cost involved.

#### COMMISSIONERS OF CONCILIATION

An additional appropriation of \$226,500 for the remainder of the fiscal year was requested to enable the Secretary of Labor to employ 100 additional conciliators for adjudication of labor disputes. The committee recommends \$76,500, which will permit the employment of approximately one-third of the additional number requested. The Conciliation Service is operating this fiscal year under an appropriation of \$719,300, permitting the employment of 125 conciliators. Under a procedure worked out cooperatively with the National War Labor Board, conciliators are now functioning in the field as 3-man panels to hear disputes instead of bringing the disputants to Washington under the procedure adopted by the National Defense Mediation Board, predecessor of the National War Labor Board. The use of panels has been an effective method of conciliation but requires a larger conciliation force. For the first 8 months of the current fiscal year, including cases on hand at the beginning of the fiscal year, the Conciliation Service has had a total of 4,688 disputes of which 3,704 cases had been disposed of by March 1, leaving a total on that date of 984. All of the 3,704 cases disposed of, with the exception of 310, were handled solely by the Service; the 310 were referred to other agencies, including 62 that were certified to the National War Labor Board. The committee is advised that as of March 16 the Conciliation Service had conciliators assigned to 5 strikes involving 875 workers concerned with the war-production program. The number of available conciliators and the number of cases to be handled have resulted in delays of 4 and 5 weeks in scheduling cases for hearing. Loyalty of the vast majority of workers to the production job should not render them susceptible to abuse by any unfair employer who might take advantage of the situation in the absence of adequate conciliation facilities for prompt hearings to ascertain the facts. The committee feels that the additional force is justified in the interest of prompt settlement of disputes between employer and employee as they may arise. There may be cases, probably few, where conciliation cannot make satisfactory adjustments but in fairness to the very large proportion of loyal workers who do not want to interrupt the war-production program there should be machinery for speedy consideration and hearing of the parties involved.

### TITLE IV—GENERAL PROVISIONS

#### CERTIFYING AND DISBURSING OFFICERS

The committee has inserted a provision on page 20 of the bill in connection with the Division of Disbursement, Treasury Department, to make clear the responsibility and accountability of disbursing and certifying officers under the act of December 29, 1941. The Division of Disbursement was set up pursuant to the act of March 20,

1933, and was given the duty of disbursing money only upon the certification of persons authorized by law to incur liabilities on behalf of the United States and such persons were made accountable for improper certification. The act of December 29, 1941, defines the responsibility and accountability of disbursing officers and certifying officers and places upon the disbursing officer responsibility and accountability for correct computations of certified vouchers and in general language leaves open to reasonable construction of the act that the same duty is also on the certifying officer. The Division of Disbursement, since its establishment, has not made such computations, relying on the previous statute placing that duty on the certifying officer. In the 8 years of its existence disallowances in accounts of the Division for incorrect computation have totaled only \$5,000 in the disbursement of billions of dollars. The committee is advised that if the Division of Disbursement is to start on April 1 next, the effective date of the act of December 29, 1941, to make computations of vouchers it will be a duplication of the work performed by the certifying officers and result in an annual increased cost for salaries of from \$80,000 to \$100,000 in the Division of Disbursement. Certifying officers must make the computations initially and many of them are accompanied by numerous supporting documents. Certifying officers are responsible under their bonds for the existence and correctness of the facts certified and it will result in no added expense to make clear that they alone are responsible and accountable for the correctness of the computations which are in actuality a part of the facts to be certified. The General Accounting Office is also responsible for the audit and settlement and to perform its duties adequately must check the computations. Furthermore many payments by disbursing officers are made after preaudit, yet in such cases under the new law the disbursing officer could be held accountable for incorrect computations made by the certifying officer and approved in the audit. The committee feels that the additional expense is not warranted and that the interests of the Government are fully and completely protected by making correctness of computations the responsibility and accountability of certifying officers and has so provided.

#### PASSENGER-CARRYING AUTOMOBILES

Existing law for the fiscal years 1942 and 1943 place a general limitation of \$750 upon the purchase of motor-propelled, passenger-carrying vehicles by all agencies of the Government except in those cases where a higher price is specifically permitted in connection with a particular appropriation. Under section 6 of the War Department civil appropriation bill, 1943, except for the Executive Office and the Military and Naval Establishments, no such vehicles can be purchased by any other Federal agency if such purchase would interfere with the quotas and priorities required for military and naval purposes. Other agencies will be able to obtain vehicles only from quotas permitted for civilian use. Plans are now under formulation for control of civilian governmental needs and apportioning those requirements on the basis of agency functional duties as related to the war effort. The War Department and the Navy Department are not able to get vehicles within the \$750 limitation and other agencies are similarly situated. The committee recommends as section 404

of the bill a provision raising the limitation to such extent as the Secretary of War, in the case of the War Department, the Secretary of the Navy, in the case of the Navy Department, and the Director of Procurement, Treasury Department, in the case of other essential governmental needs, may determine necessary to obtain satisfactory vehicles in the low-priced, lightweight class, but in no event can the factory price paid exceed \$900 for any such vehicle. The \$900 limitation is less than the maximum figure for this class of vehicles as set forth in the Office of Price Administration Price Schedule published in the Federal Register of February 3, 1942. The \$750 limitation has been in successive appropriation acts for the past 10 fiscal years. Obviously, with the increased cost of production which has generally taken place and the curtailed output of motor vehicles, Government requirements cannot be met without authority to vary the limitation.

Repeal is also recommended of the requirement in the current and ensuing appropriation acts limiting the amount which may be expended upon the maintenance, upkeep, and repair of any such vehicle. With procurement of new vehicles limited, it will be necessary to keep older vehicles in operation longer and to meet the increased costs of such upkeep.

#### REPORTS ON MILITARY AND NAVAL CONTRACTS

Section 2 of the First Supplemental National Defense Appropriation Act, 1942, and the last proviso under the caption "Military posts" in title IV of the Military Appropriation Act, 1941, require certain reports to be made to Congress in connection with contracts entered into by the War and Navy Departments.

Repeal is recommended of section 2 of the First Supplemental National Defense Appropriation Act, 1942, enacted August, 25, 1941, which requires the Secretary of War and the Secretary of the Navy to report to Congress prior to the end of each fiscal year a full and complete list of contracts in excess of \$10,000 and to include therewith a summary of the subject matter of the contracts, the names of the contractors, the negotiating officials on behalf of the contractor and the Government, and if the contract was let without competition, a statement of the reasons for the selection of the contractor. The War Department in the first 6 months of the present fiscal year has entered into more than 375,000 contracts and in the latter half of the fiscal year will exceed that number, so that the total for the year will be in excess of 800,000; the Navy Department will have more than 200,000 contracts in the current year; a total for the two Departments of more than 1,000,000 contracts. It is impossible to state how many of these contracts are in excess of \$10,000, but, in view of the large sums each Department has to expend, it is most conservative to estimate that at least one-half of the total, or more than 500,000 contracts, would be in excess of \$10,000. The information required to be furnished with respect to each contract cannot be stated in a few words. It will require careful examination of each contract to be reported on. Certainly the cost of making these briefs on 500,000 contracts would not be less than a minimum of \$1 each, taking into consideration legal, clerical, and typing services, to say nothing of the space, equipment, and supplies required. Any information that any committee of either



House having appropriate jurisdiction requires in connection with any war contract can be obtained speedily and much more informatively than would be obtained from this report. The committee has no desire to deprive Congress of any useful information that would form a basis for legislation. This report will serve no such purpose, and will be a distinct hindrance to the war effort by requiring two busy departments to utilize a large amount of personal services, office space, equipment, and supplies that should be otherwise engaged. Investigation of war expenditures in all their phases has been provided by both Houses of Congress by giving special jurisdiction to committees for that purpose.

The other report requirement sought to be repealed is a monthly report of meager informational nature respecting construction and land contracts required to be sent each month to certain committees of the Senate and House. This requirement was enacted in the Military Appropriation Act, 1941, approved June 13, 1940. The report has been filed monthly since that date and serves no useful purpose. It likewise requires effort in the War Department which might well be devoted to the business of the conduct of the war.

#### LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions, not heretofore enacted in connection with any appropriation bill, are recommended: On page 3, in connection with "Travel of the Army":

*Provided, That from the date of the approval of this Act to June 30, 1943, the Secretary of War, in prescribing per diem rates of allowance, not exceeding \$6, in lieu of subsistence, for officers and warrant officers of the Army of the United States traveling on official business and away from their designated posts of duty, pursuant to the first paragraph of section 12 of the Act approved June 10, 1922 (42 Stat. 631), as amended, is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to such officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders: Provided further, That until June 30, 1943, the dependents and household effects of such military and civilian personnel in and under the Military Establishment on duty at stations outside the continental limits of the United States or in Alaska, as may be determined upon by the Secretary of War, may, prior to the issuance of orders for the relief of such personnel from their stations, be moved (including packing and unpacking of household effects) to such locations as may be selected by the Secretary of War, by the use of either Government or commercial means of transportation, and later from such locations to the duty stations to which such personnel may be ordered, and current appropriations of the Military Establishment available for travel and transportation may be used for this purpose, the decision of the Secretary of War to be final as to the dependency of any individual sought to be affected by this provision except as to travel hereafter performed subsequent to arrival in the United States; and movements of this character heretofore effected and payments made or to be made therefor are validated.*

On page 4, in connection with "Apprehension of deserters":

*Funds appropriated under this title may be used to pay donations of not to exceed \$10 each to persons discharged for fraudulent enlistment as authorized by law.*

On page 4, in connection with the Finance Service:

*Provided, That all funds heretofore and herein appropriated for the fiscal year 1942, under the titles "Pay of the Army," "Travel of the Army," "Expenses of courts martial," "Apprehension of deserters, and so forth," "Finance Service," "Claims for damages to and loss of private property," and "Claims of officers, enlisted men, and nurses of the Army for destruction of private property" shall be disbursed and accounted for as one fund under the appropriation title "Finance Service, Army."*

## On page 7:

*Provided, That all funds heretofore and herein appropriated for the fiscal year 1942 under the titles "Infantry School, Fort Benning, Georgia," "Instruction in Cavalry activities," "Instruction in Field Artillery activities," and "Coast Artillery School, Fort Monroe, Virginia," shall be disbursed and accounted for as one fund under the title "Special service schools."*

## On page 8:

*SEC. 101. Limitations on appropriations heretofore and herein enacted and available for obligation during the fiscal years 1942 and 1943, which prohibit the payment of persons who are not citizens of the United States, shall not apply to persons who have lost their citizenship by serving in the armed forces of another nation but who apply and are accepted for service in the Army of the United States.*

*SEC. 102. Under appropriations available to the Military Establishment, the Secretary of War is authorized to effect appointments of employees in the United States, or to effect the transfer of employees in the Federal service in the United States, for duty at any point outside the continental limits of the United States or in Alaska at which it may be found necessary to assign such civilian employees, and to pay the costs of transportation of such employees from place of engagement in the United States, or from present post of duty in the United States, in the case of those employees already in the service of the United States, to the post of duty outside the United States or in Alaska, and return upon completion of assignment or after such period of service as may be prescribed by the head of the Department; to provide for the shipment of personal effects of persons so appointed or transferred from place of engagement or from present post of duty in the United States to the post of duty outside the continental United States or in Alaska.*

## On page 9:

*SEC. 103. Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense articles procured from funds appropriated in this title, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11): *Provided, That the total value of articles disposed of under this authority shall not exceed \$2,220,000,000: Provided further, That the term "defense article" as used herein shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.**

## On page 11:

*The provisions under this heading in the Naval Appropriation Act, 1942, as amended, and in the Naval Appropriation Act, 1943, limiting the number of civilian officers and employees who may be employed in the Navy Department proper, at Washington, are hereby amended, respectively, by increasing such number to twenty thousand, and the Secretary of the Navy is authorized to employ one additional employee at a per annum salary rate in excess of \$5,000, but not in excess of the appropriate rate established in accordance with the Classification Act of 1923, as amended: *Provided, That section 304 of the Second Deficiency Appropriation Act, 1941, shall not apply to citizens of the Commonwealth of the Philippines from and including the date of approval of such Act, and the Secretary of the Navy is authorized to make payments for services rendered by such citizens during the fiscal year 1942 out of the applicable appropriations.**

## On page 12:

*The number of officers above the rank of captain, who may receive flight pay during the fiscal year 1942, is increased from nine to twenty-three: *Provided, That flight orders and the right to flight pay as to those officers above the rank of captain not now entitled to flight pay shall be subject to the conditions prescribed in the Naval Appropriation Act, 1943.**

## On page 13:

*The Secretary of the Navy is hereby authorized to enter into contracts, in addition to existing appropriations therefor, for tools, equipment, and facilities in and land for public and private plants for the manufacture or production of ordnance*



material, munitions, and armor, and for the protection of private plants, in an amount of \$100,000,000, the total amount authorized in this and prior Acts for such purposes being \$595,000,000.

The Secretary of the Navy is hereby authorized to enter into contracts, in addition to existing appropriations therefor, for repair facilities in the amount of \$25,000,000.

On page 13:

*Provided, That existing limitations upon amounts that may be used by the Coast Guard during the fiscal years 1942 and 1943 for purchase, exchange, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles are hereby suspended.*

On page 14:

*SEC. 201. Whenever the President deems it to be in the interest of national defense he may authorize the Secretary of the Navy to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense articles procured from funds appropriated in this title, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11): Provided, That the total value of articles disposed of under this authority shall not exceed \$18,000,000: Provided further, That the term "defense article" as used herein shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services: Provided further, That the limitation of \$2,500,000,000 established in section 301 of the Act of February 7, 1942 (Public Law 441), shall apply to all appropriations made to the Navy Department since March 11, 1941.*

On page 15:

*The Clerk of the House of Representatives is authorized to store valued documents of the House of Representatives in the National Archives Building and such documents shall continue under his control and jurisdiction and shall be consulted or removed only on his written order. The Archivist shall assign suitable space and provide adequate protective custody for such documents.*

On page 17:

*The appropriation made by paragraph "(1)" under the heading "Education and training, defense workers (national defense)" in the Federal Security Agency Appropriation Act, 1942, shall also be available for the cost of vocational courses (either by classes or by individuals) of less than college grade in private vocational schools (regardless of tax liability) and in other private facilities where equipment for training is available.*

On page 18:

*Provided, That the Federal Security Administrator may delegate to such officers or employees as he may designate for the purpose all authority in connection with the transfer of personnel and household goods and effects from one official station to another.*

On page 20, in connection with the appropriation for emergency protection of public buildings:

*Provided, That the cost-plus-a-percentage-of-cost system of contracting shall not be used, but this proviso shall not be construed to prevent the use of a cost-plus-a-fixed-fee form of contract: Provided further, That codes developed as guides for the accomplishment of the purposes hereof shall be subject to the approval of the Federal Works Administrator: Provided further, That activities with respect to subversive hostile acts shall be coordinated with the facility security program of the Office of Civilian Defense: Provided further, That so much of the foregoing appropriation (not to exceed \$100,000) as may be needed for the Capitol Building and Grounds, Senate Office Building, House Office Buildings, Library of Congress Buildings, United States Botanic Garden Buildings, Capitol Power Plant, Legislative Garage, United States Supreme Court Building, and any other buildings for which the Architect of the Capitol is responsible for structural and mechanical care, shall be transferred on the books of the Treasury from time to time as may be agreed upon by the Architect of the Capitol and the Commissioner of Public Buildings, for direct expenditure by such Architect under the authority of this paragraph, and including professional and technical*

services without reference to section 35 of the Public Buildings Act of June 25, 1910, as amended.

On page 22, in connection with the appropriation for public buildings:

*Provided, That the limitation upon the amount which may be expended for purchase, repair, and cleaning of uniforms for guards and elevator conductors for the fiscal year 1942 is hereby waived.*

On page 22:

*Authority is hereby granted, in addition to the authority granted for the same purpose under this heading in the Third Supplemental National Defense Appropriation Act, 1942, to enter into contracts in the amount of \$20,000,000 for the construction and improvement of access roads and for replacing existing highways and highway connections as described in and in accordance with section 6 of the Defense Highway Act of 1941 (Public Law 295), such authority to continue during the existence of the emergency declared by the President on May 27, 1941.*

On page 23, in connection with the appropriation for forest-fire control:

*Provided, That there shall not be expended from this appropriation on non-Federal lands in any State any amount in excess of the amount made available by the State, or private agencies, or individuals for the purposes of this appropriation: Provided further, That sections 2 and 3 of the Department of Agriculture Appropriation Act, 1942, or similar provisions in this Act or in the Act making appropriations for said Department for the fiscal year 1943 shall not apply to persons employed hereunder for less than sixty days on sudden emergency work involving the loss of human life or destruction of property.*

On page 27:

*Provided, That the limitation on the amount which may be expended for airport traffic control contained in the First Supplemental National Defense Appropriation Act, 1942, is hereby removed.*

On page 28, in connection with the appropriation for forest protection:

*Provided, That for sudden emergency work involving the loss of human life or the destruction of property, persons may be employed for periods of less than sixty days and be paid salaries or wages from this appropriation without regard to citizenship and without regard to membership in an organization that advocates the overthrow of the Government.*

On page 32, in connection with the appropriation for alien-enemy control:

*Provided, That this appropriation shall be available for transfer to or reimbursement of other public agencies, Federal, State, or local, for assistance rendered hereunder.*

On page 34:

*Provided, That the responsibility and accountability of certifying officers under the Act of December 29, 1941 (Public Law 389), shall be deemed to include the correctness of the computations of certified vouchers and disbursing officers shall not be held accountable under section 1 of such Act for the correctness of such computations.*

On page 37:

*SEC. 404. Section 302 (c) of the Treasury and Post Office Departments Appropriation Act, 1942, and section 302 (c) of the Treasury and Post Office Departments Appropriation Act, 1943, are hereby repealed; and the limitation of \$750 specified in section 302 (a) of each of such Acts and any similar limitation of the same or a lesser sum specified in any other appropriation Act for such fiscal years may be exceeded by such amount as the Secretary of War, in the case of the War Department, the Secretary of the Navy, in the case of the Navy Department, and the Director of Procurement, in the case of other essential governmental needs, may determine necessary to obtain satisfactory motor-propelled passenger-carrying vehicles of*

*the lightweight, low-priced class, but in no event shall the price so paid for any such vehicle exceed \$900 free on board factory.*

## COMPLIANCE WITH CLAUSE 2 (A) OF RULE XIII

## EXISTING LAW

SEC. 2. It shall be the duty of the Secretary of War and the Secretary of the Navy, respectively, to file with the Congress prior to the end of each fiscal year a full and complete list of all contracts in excess of \$10,000 in value, including contracts for the purchase of land, which may be undertaken for the expenditure of the funds appropriated by this or any other Act, together with a summary of the subject matter of such contracts, the names of the contractors and of the persons who negotiated any such contract either on behalf of the Government or of the contractor, and, if any such contract was awarded without competitive bidding, a statement of the reasons for the selection of the contractor (First Supplemental National Defense Appropriation Act, 1942, Public Law 247, 77th Cong., approved August 25, 1941).

*Provided further,* That the Secretary of War and Secretary of the Navy shall submit monthly, within ten days following the last day of each month, commencing on or before November 10, 1940, to the respective chairmen of the Committees on Military and Naval Affairs and Appropriations of the Senate and House of Representatives a report where such Secretaries are respectively concerned of (1) all cost-plus-a-fixed-fee contracts concluded within the period embraced by each report, and (2) of all land acquisitions accomplished within such periods, such reports to show (1) as to cost-plus-a-fixed-fee contracts the object or objects thereof, the name and place of business of the contractor, the estimated cost of the contract exclusive of the fee, the amount of the fee, and the date of the contract, and (2) as to land acquisitions the location, area, intended use, the purchase price, the amount appropriated therefor, and the assessed value (first reports shall cover the period July 1 to October 31, 1940) (Third Supplemental National Defense Appropriation Act, 1941, Public Act 800, 76th Cong., approved October 8, 1940).

Any amounts so appropriated, and any funds received by the Secretary under this Act, shall remain permanently available for the purposes of this Act without regard to the provisions of any other laws relating to the availability and disposition of appropriated funds and the disposition of funds collected by officers or agencies of the United States (Act of March 5, 1942, Public Law 473, 77th Cong., sec. 3).

## PROPOSED PROVISION IN BILL

SEC. 401. Section 2 of the First Supplemental National Defense Appropriation Act, 1942, and the last proviso under the caption Military Posts in title IV, Military Appropriation Act, 1941, are hereby repealed.

*Provided,* That any proceeds from the sales of guayule, rubber processed from guayule, or other rubber-bearing plants, or from other sales resulting from operations under such Act of March 5, 1942, shall be covered into the Treasury as "Miscellaneous receipts"

## SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

*Comparative statement of amounts requested in the Budget estimates with the amounts recommended in the accompanying bill*

[NOTE.—Appropriations are for fiscal year 1942 unless otherwise indicated]

House Doc. No.	Agency	Amounts of Budget estimates	Amounts recommended in the bill	Increase (+) or decrease (—), bill compared with Budget estimates
	<b>TITLE I—WAR DEPARTMENT</b>			
	<b>MILITARY ACTIVITIES</b>			
	<b>OFFICE OF SECRETARY OF WAR</b>			
680	Contingencies of the Army-----	\$1, 578, 180. 00	\$1, 578, 180. 00	-----
	<b>FINANCE DEPARTMENT</b>			
680	Pay of the Army-----	327, 331, 562. 00	325, 113, 462. 00	—\$2, 218, 100. 00
680	Travel of the Army-----	92, 200, 000. 00	92, 200, 000. 00	-----
680	Finance Service-----	2, 165, 000. 00	2, 165, 000. 00	-----
	Total, Finance Department-----	421, 696, 562. 00	419, 478, 462. 00	—2, 218, 100. 00
	<b>QUARTERMASTER CORPS</b>			
	<b>QUARTERMASTER SERVICE, ARMY</b>			
680	Subsistence of the Army-----	323, 006, 000. 00	323, 006, 000. 00	-----
680	Regular supplies of the Army-----	80, 481, 000. 00	80, 481, 000. 00	-----
680	Clothing and equipage-----	62, 804, 277. 00	62, 804, 277. 00	-----



680	Incidental expenses of the Army-----	83, 807, 000. 00	83, 807, 000. 00	-----
680	Army transportation-----	817, 912, 000. 00	761, 412, 202. 00	— 56, 499, 798. 00
680	Welfare of enlisted men-----	5, 715, 000. 00	5, 715, 000. 00	-----
	Total, Quartermaster Corps-----	1, 373, 725, 277. 00	1, 317, 225, 479. 00	— 56, 499, 798. 00
	SIGNAL CORPS			
680	Signal Service of the Army-----	748, 149, 000. 00	748, 149, 000. 00	-----
	AIR CORPS			
680	Air Corps, Army-----	8, 515, 861, 251. 00	8, 515, 861, 251. 00	-----
	MEDICAL DEPARTMENT			
680	Medical and Hospital Department, Army-----	151, 240, 000. 00	151, 240, 000. 00	-----
	CORPS OF ENGINEERS			
	ENGINEER SERVICE, ARMY			
680	Engineer Service, Army-----	31, 510, 000. 00	31, 510, 000. 00	-----
680	Military construction, defense installations-----	866, 165, 600. 00	866, 165, 600. 00	-----
680	Military posts, construction of buildings, utilities, and apartments-----	4, 454, 775, 033. 00	4, 358, 118, 283. 00	— 96, 656, 750. 00
680	Barracks and quarters-----	49, 595, 000. 00	49, 595, 000. 00	-----
680	Hospitals, construction and repair-----	775, 000. 00	775, 000. 00	-----
	Total, Engineer Corps-----	5, 402, 820, 633. 00	5, 306, 163, 883. 00	— 96, 656, 750. 00

*Comparative statement of amounts requested in the Budget estimates with the amounts recommended in the accompanying bill—Continued*

[NOTE.—Appropriations are for fiscal year 1942 unless otherwise indicated]

House Doc. No.	Agency	Amounts of Budget estimates	Amounts recommended in the bill	Increase (+) or decrease (—), bill compared with Budget estimates
<b>TITLE I—WAR DEPARTMENT—Continued</b>				
<b>MILITARY ACTIVITIES—Continued</b>				
<b>ORDNANCE DEPARTMENT</b>				
<b>ORDNANCE SERVICE, ARMY</b>				
680	Ordnance service and supplies-----	\$591, 698, 443. 00	\$543, 721, 283. 00	—\$47, 977, 160. 00
680	Repairs of arsenals-----	4, 500, 000. 00	4, 500, 000. 00	-----
	Total, Ordnance Department-----	596, 198, 443. 00	548, 221, 283. 00	—47, 977, 160. 00
<b>CHEMICAL WARFARE SERVICE</b>				
680	Chemical Warfare Service, Army-----	367, 366, 311. 00	367, 366, 311. 00	-----
<b>SPECIAL SERVICE SCHOOLS</b>				
680	Infantry School, Fort Benning, Ga-----	97, 389. 00	97, 389. 00	-----
680	Cavalry activities, instruction-----	3, 200. 00	3, 200. 00	-----
680	Field Artillery instruction activities-----	63, 786. 00	63, 786. 00	-----
680	Coast Artillery instruction-----	1, 625. 00	1, 625. 00	-----
	Total, special service schools-----	166, 000. 00	166, 000. 00	-----

680	ARMORED FORCE			
	Instruction in armored force activities-----	152, 016. 00	152, 016. 00	
680	U. S. MILITARY ACADEMY			
	Maintenance and operation-----	357, 580. 00	357, 580. 00	
	Total, War Department, military activities, title I-----	17, 579, 311. 253. 00	17, 375, 959, 445. 00	-203, 351, 808. 00
TITLE II—NAVY DEPARTMENT				
678	OFFICE OF THE SECRETARY			
	Contingent, Navy-----	130, 000. 00	130, 000. 00	
678	Naval farms and prison personnel-----	8, 000. 00	8, 000. 00	
	Total, office of the Secretary-----	138, 000. 00	138, 000. 00	
678	BUREAU OF ORDNANCE			
	Ordnance and ordnance stores, Navy-----	183, 692, 000. 00	183, 692, 000. 00	
678	BUREAU OF AERONAUTICS			
	Aviation, Navy-----	470, 000, 000. 00	464, 827, 500. 00	-5, 172, 500. 00
678	MARINE CORPS			
	Pay, Marine Corps-----	4, 756, 000. 00	4, 756, 000. 00	
678	General expenses, Marine Corps-----	9, 395, 000. 00	9, 395, 000. 00	
	Total, Marine Corps-----	14, 151, 000. 00	14, 151, 000. 00	

*Comparative statement of amounts requested in the Budget estimates with the amounts recommended in the accompanying bill*—Continued

[NOTE.—Appropriations are for fiscal year 1942 unless otherwise indicated]

House Doc. No.	Agency	Amounts of Budget estimates	Amounts recommended in the bill	Increase (+) or decrease (—), bill compared with Budget estimates
	<b>TITLE II—NAVY DEPARTMENT—Continued</b>			
	INCREASE AND REPLACEMENT, NAVAL VESSELS			
678	Armor, armament, and ammunition-----	(1)	(1)	-----
	REPAIR FACILITIES, NAVY			
678	Repair facilities, Navy-----	(2)	(2)	-----
	COAST GUARD			
678	General expenses-----	\$1, 543, 000. 00	\$1, 543, 000. 00	-----
678	Construction of vessels and shore facilities-----	21, 400, 000. 00	21, 400, 000. 00	-----
	Total, Coast Guard-----	22, 943, 000. 00	22, 943, 000. 00	-----
	NAVAL EMERGENCY FUND			
678	Naval emergency fund under the Secretary of the Navy-----	10, 000, 000. 00	10, 000, 000. 00	-----
	Total, Navy Department, title II-----	<sup>3</sup> 700, 924, 000. 00	<sup>3</sup> 695, 751, 500. 00	--\$5, 172, 500. 00



# TITLE III—GENERAL APPROPRIATIONS

## LEGISLATIVE

### ARCHITECT OF THE CAPITOL

673	Capitol power plant-----	45, 650. 00	45, 650. 00	-----
JUDICIARY				
671	U. S. Supreme Court-----	15, 800. 00	15, 800. 00	-----
INDEPENDENT EXECUTIVE AGENCIES				
CIVIL SERVICE COMMISSION				
672	Salaries and expenses (national defense activities)-----	977, 957. 00	800, 000. 00	— 177, 957. 00
FEDERAL SECURITY AGENCY				
668	Office of Education, education and training of defense workers-----	9, 000, 000. 00	3, 000, 000. 00	— 6, 000, 000. 00
SOCIAL SECURITY BOARD				
652	Grants to States for old-age assistance-----	30, 000, 000. 00	30, 000, 000. 00	-----
670	Grants to States for unemployment compensation administration-----	12, 500, 000. 00	10, 000, 000. 00	— 2, 500, 000. 00
PUBLIC HEALTH SERVICE				
674	Maintenance of hospitals-----	453, 000. 00	453, 000. 00	-----

<sup>1</sup> Contract authorization of \$100,000,000.

<sup>2</sup> Contract authorization of \$25,000,000.

<sup>3</sup> And contract authorization of \$125,000,000.

*Comparative statement of amounts requested in the Budget estimates with the amounts recommended in the accompanying bill—Continued*

[NOTE.—Appropriations are for fiscal year 1942 unless otherwise indicated]

House Doc. No.	Agency	Amounts of Budget estimates	Amounts recommended in the bill	Increase (+) or decrease (-), bill compared with Budget estimates
<b>TITLE III—GENERAL APPROPRIATIONS—Continued</b>				
<b>INDEPENDENT EXECUTIVE AGENCIES—Con.</b>				
<b>SOCIAL SECURITY BOARD—Continued</b>				
<b>ST. ELIZABETH'S HOSPITAL</b>				
632	Construction of continuous treatment buildings-----	\$200,000.00	\$200,000.00	-----
	Total Federal Security Agency-----	52,153,000.00	43,653,000.00	-\$8,500,000.00
<b>FEDERAL WORKS AGENCY</b>				
<b>PUBLIC BUILDINGS ADMINISTRATION</b>				
646	Public Roads Administration buildings-----	3,000,000.00	-----	-3,000,000.00
646	National Bureau of Standards, buildings-----	280,000.00	280,000.00	-----
667	Emergency safeguarding of public buildings and property--	18,000,000.00	12,500,000.00	-5,500,000.00
675	Public buildings and grounds, District of Columbia and adjacent areas, salaries and expenses-----	3,792,660.00	3,413,394.00	-379,266.00
675	Public buildings and grounds, outside the District of Col- umbia, salaries and expenses-----	309,585.00	278,627.00	-30,958.00



*Comparative statement of amounts requested in the Budget estimates with the amounts recommended in the accompanying bill*--Continued

[NOTE.—Appropriations are for fiscal year 1942 unless otherwise indicated]

House Doc. No.	Agency	Amounts of Budget estimates	Amounts recommended in the bill	Increase (+) or decrease (—), bill compared with Budget estimates
<b>TITLE III—GENERAL APPROPRIATIONS—Continued</b>				
<b>DEPARTMENT OF AGRICULTURE</b>				
<b>FOREST SERVICE</b>				
663	National forest protection and management-----	\$500, 000. 00	\$250, 000. 00	—\$250, 000. 00
663	Forest fire control (emergency)-----	5, 000, 000. 00	2, 000, 000. 00	—3, 000, 000. 00
	Total Forest Service-----	5, 500, 000. 00	2, 250, 000. 00	—3, 250, 000. 00
<b>BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE</b>				
663	Control of incipient and emergency outbreaks of insect pests and plant diseases-----	1, 850, 000. 00	1, 665, 000. 00	—185, 000. 00
<b>MISCELLANEOUS</b>				
663	Emergency rubber project (guayule)-----	4, 200, 000. 00	4, 200, 000. 00	-----
	Total, Department of Agriculture-----	11, 550, 000. 00	8, 115, 000. 00	—3, 435, 000. 00
<b>DEPARTMENT OF COMMERCE</b>				
<b>BUREAU OF THE CENSUS</b>				
648	Sixteenth Decennial Census-----	530, 000. 00	500, 000. 00	—30, 000. 00



	OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS			
648	Enforcement of safety regulations-----	166,000.00	166,000.00	-----
648	Establishment of air-navigation facilities-----	1,940,000.00	1,940,000.00	-----
648	Maintenance and operation of air-navigation facilities-----	823,720.00	823,720.00	-----
	Total, Office of Administrator of Civil Aeronautics-----	2,929,720.00	2,929,720.00	-----
	Total, Department of Commerce-----	3,459,720.00	3,429,720.00	-----
	DEPARTMENT OF THE INTERIOR			
	OFFICE OF THE SECRETARY			
677	Fire protection of forests, forest industries, and strategic facilities (national defense)-----	812,000.00	324,800.00	-----487,200.00
677	Protection of mineral resources and facilities, including petroleum (national defense)-----	1,179,000.00	800,000.00	-----379,000.00
	GOVERNMENT IN THE TERRITORIES			
677	Contingent expenses, Territory of Alaska-----	1,300.00	1,300.00	-----
677	Deficit in the Treasury of St. Croix, Virgin Islands-----	10,000.00	10,000.00	-----
	Total, Department of the Interior-----	2,002,300.00	1,136,100.00	-----866,200.00
	DEPARTMENT OF JUSTICE			
	IMMIGRATION AND NATURALIZATION SERVICE			
657	Salaries and expenses-----	4,750,000.00	4,750,000.00	-----
	LANDS DIVISION			
645	Salaries and expenses-----	300,000.00	300,000.00	-----

*Comparative statement of amounts requested in the Budget estimates with the amounts recommended in the accompanying bill—Continued*

[NOTE.—Appropriations are for fiscal year 1942 unless otherwise indicated]

House Doc. No.	Agency	Amounts of Budget estimates	Amounts recommended in the bill	Increase (+) or decrease (-) bill compared with Budget estimates
	<b>TITLE III—GENERAL APPROPRIATIONS—Continued</b>			
	<b>DEPARTMENT OF JUSTICE—Continued</b>			
	<b>ALIEN ENEMY CONTROL UNIT</b>			
682	Salaries and expenses-----	\$1, 700, 000. 00	\$1, 700, 000. 00	-----
	Total, Department of Justice-----	6, 750, 000. 00	6, 750, 000. 00	-----
	<b>DEPARTMENT OF LABOR</b>			
	<b>OFFICE OF THE SECRETARY</b>			
650	Apprenticeship training program (national defense)-----	90, 000. 00	-----	—\$90, 000. 00
650	Commissioners of conciliation (national defense)-----	226, 500. 00	76, 500. 00	—150, 000. 00
665	Wages and Hours Division-----	(6)	(6)	-----
	Total, Department of Labor-----	316, 500. 00	76, 500. 00	—240, 000. 00
	<b>POST OFFICE DEPARTMENT</b>			
669	Printing and binding-----	235, 000. 00	235, 000. 00	-----
	<b>DEPARTMENT OF STATE</b>			
656	Passport agencies, salaries and expenses-----	7, 000. 00	7, 000. 00	-----

## TREASURY DEPARTMENT

## OFFICE OF THE SECRETARY

662 Foreign property control, 1941-----

30, 412. 00

30, 412. 00

662 Foreign property control, 1942-----

2, 500, 000. 00

2, 500, 000. 00

## BUREAU OF ACCOUNTS

666 Division of Disbursement, salaries-----

225, 000. 00

200, 000. 00

--25, 000. 00

## TREASURER'S OFFICE

662 Salaries-----

115, 000. 00

100, 000. 00

--15, 000. 00

Total, Treasury Department-----

2, 870, 412. 00

2, 830, 412. 00

--40, 000. 00

Total, title III, general appropriations-----

7 107, 516, 384. 00

8 85, 236, 203. 00

--22, 280, 181. 00

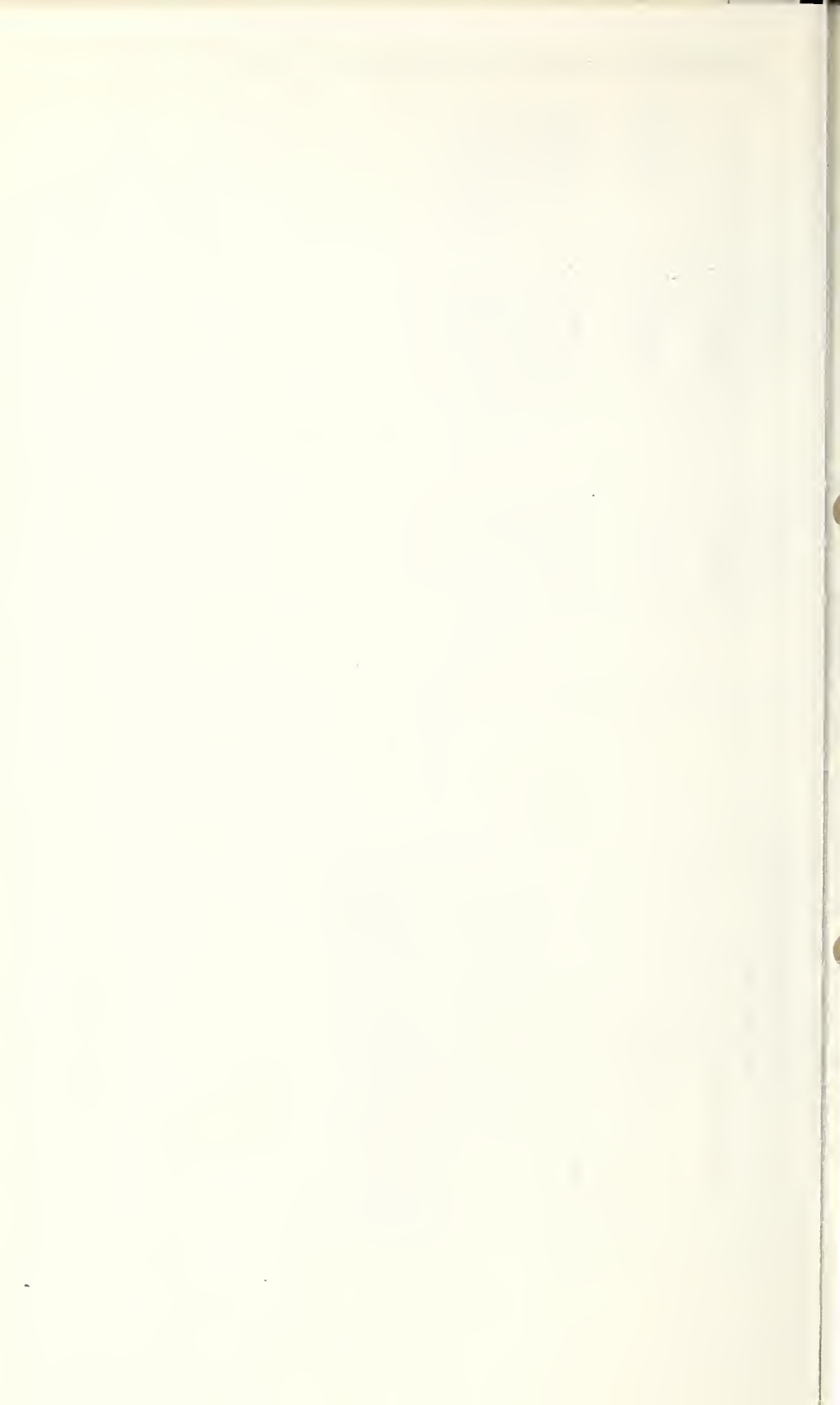
Grand total, titles I, II, and III-----

9 18, 387, 751, 637. 00

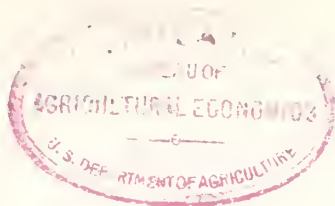
10 18, 156, 947, 148. 00

--230, 804, 489. 00

<sup>6</sup> Transfer of \$45,000 from "Salaries" to "Miscellaneous expenses."<sup>7</sup> And contract authorization of \$25,400,000.<sup>8</sup> And contract authorization of \$20,000,000.<sup>9</sup> And contract authorization of \$150,400,000.<sup>10</sup> And contract authorization of \$145,000,000.







## Union Calendar No. 688

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6868

[Report No. 1956]

---

### IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 1942

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the state of the Union and ordered to be printed

---

## A BILL

Making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the national  
5       defense for the fiscal year ending June 30, 1942, and for  
6       other purposes, namely:

7                   **TITLE I—WAR DEPARTMENT**

8       For additional amounts for the Military Establishment,  
9       fiscal year 1942, to remain available until June 30, 1943,

1 to be supplemental to, and to be merged with, the appropria-  
2 tions under the same heads in the Military Appropriation  
3 Act, 1942, including the objects and subject to the limitations  
4 and conditions specified under such heads, respectively, in  
5 such Act, as follows:

## 6 MILITARY ACTIVITIES

### 7 CONTINGENCIES OF THE ARMY

8 For contingencies of the Army, including necessary per-  
9 sonal services and the purchase of lawbooks, professional  
10 books of reference and subscriptions to newspapers and peri-  
11 odicals, and such other expenses as may be necessary, and  
12 payments from this appropriation may, in the discretion of  
13 the Secretary of War, be made on his certificate that the ex-  
14 penditures were necessary for confidential military purposes,  
15 \$1,578,180.

## 16 FINANCE DEPARTMENT

### 17 PAY OF THE ARMY

18 For pay of the Army of the United States,  
19 \$325,113,462.

### 20 TRAVEL OF THE ARMY

21 For travel of the Army, including authorized transpor-  
22 tation of persons discharged for fraudulent enlistment, and  
23 including rental of camp sites and the local procurement of  
24 communication service, fuel and water, and other necessary  
25 supplies and services incident to troop movements, \$92,-

1 200,000: *Provided*, That from the date of the approval of  
2 this Act to June 30, 1943, the Secretary of War, in prescrib-  
3 ing per diem rates of allowance, not exceeding \$6, in lieu  
4 of subsistence, for officers and warrant officers of the Army  
5 of the United States traveling on official business and away  
6 from their designated posts of duty, pursuant to the first para-  
7 graph of section 12 of the Act approved June 10, 1922 (42  
8 Stat. 631), as amended, is hereby authorized to prescribe  
9 such per diem rates of allowance, whether or not orders are  
10 given to such officers for travel to be performed repeatedly  
11 between two or more places in the same vicinity, and with-  
12 out regard to the length of time away from their designated  
13 posts of duty under such orders: *Provided further*, That until  
14 June 30, 1943, the dependents and household effects of such  
15 military and civilian personnel in and under the Military  
16 Establishment on duty at stations outside the continental  
17 limits of the United States or in Alaska, as may be determined  
18 upon by the Secretary of War, may, prior to the issuance of  
19 orders for the relief of such personnel from their stations, be  
20 moved (including packing and unpacking of household  
21 effects) to such locations as may be selected by the Secretary  
22 of War, by the use of either Government or commercial means  
23 of transportation, and later from such locations to the duty  
24 stations to which such personnel may be ordered, and current  
25 appropriations of the Military Establishment available for

1 travel and transportation may be used for this purpose, the  
 2 decision of the Secretary of War to be final as to the depend-  
 3 ency of any individual sought to be affected by this pro-  
 4 vision except as to travel hereafter performed subsequent to  
 5 arrival in the United States; and movements of this character  
 6 heretofore effected and payments made or to be made therefor  
 7 are validated.

#### 8 APPREHENSION OF DESERTERS

9 Funds appropriated under this title may be used to pay  
 10 donations of not to exceed \$10 each to persons discharged  
 11 for fraudulent enlistment as authorized by law.

#### 12 FINANCE SERVICE

13 For Finance Service, \$2,165,000.

14 In all, \$419,478,462: *Provided*, That all funds hereto-  
 15 fore and herein appropriated for the fiscal year 1942, under  
 16 the titles "Pay of the Army", "Travel of the Army", "Ex-  
 17 penses of courts martial", "Apprehension of deserters, and so  
 18 forth", "Finance Service", "Claims for damages to and loss  
 19 of private property", and "Claims of officers, enlisted men,  
 20 and nurses of the Army for destruction of private property"  
 21 shall be disbursed and accounted for as one fund under the  
 22 appropriation title "Finance Service, Army".

#### 23 QUARTERMASTER CORPS

24 Subsistence of the Army: For subsistence of the Army,  
 25 \$323,006,000.



1 Regular supplies of the Army: For regular supplies of  
2 the Army, including warehouse and fuel-handling equipment,  
3 \$80,481,000.

4 Clothing and equipage: For clothing and equipage,  
5 \$62,804,277.

6 Incidental expenses of the Army: For incidental expenses  
7 of the Army, including supplies, services, and other expenses  
8 essential in conducting instruction of the Army in tank-de-  
9 stroyer activities, \$83,807,000.

10 Army transportation: For Army transportation, \$761.-  
11 412,202.

12 WELFARE OF ENLISTED MEN

13 Welfare of enlisted men: For welfare of enlisted men,  
14 \$5,715,000.

15 In all, \$1,317,225,479.

16 SIGNAL CORPS

17 SIGNAL SERVICE OF THE ARMY

18 For Signal Service of the Army, \$748,149,000.

19 AIR CORPS

20 AIR CORPS, ARMY

21 For Air Corps, Army, \$8,515,861,251.

22 MEDICAL DEPARTMENT

23 ARMY

24 MEDICAL AND HOSPITAL DEPARTMENT

25 For Medical and Hospital Department, Army, including

1 hospital care of Canal Zone garrisons, and for necessary medi-  
2 cal care and treatment in private hospitals of military person-  
3 nel whether on duty or on furlough or leave of absence  
4 except when elective medical treatment has been obtained  
5 by military personnel in civilian hospitals or from civilian  
6 physicians or dentists, \$151,240,000.

7 CORPS OF ENGINEERS

8 Engineer Service. Army: For Engineer Service, Army,  
9 \$31,510,000.

10 Military construction, defense installations: For military  
11 construction, defense installations, \$866,165,600.

12 Military posts: For construction of buildings, utilities,  
13 and appurtenances at military posts, \$4,358,118,283.

14 Barracks and quarters: For barracks and quarters,  
15 \$49,595,000.

16 Construction and repair of hospitals: For construction  
17 and repair of hospitals, \$775,000.

18 In all, \$5,306,163,883.

19 ORDNANCE DEPARTMENT

20 ORDNANCE SERVICE AND SUPPLIES, ARMY

21 For ordnance service and supplies, Army, \$543,721,283.

## REPAIRS OF ARSENALS

For repairs of arsenals, Army, \$4,500,000.

In all, \$548,221,283.

## CHEMICAL WARFARE SERVICE

For Chemical Warfare Service, Army, \$367,366,311.

## SPECIAL SERVICE SCHOOLS

Infantry School: For Infantry School, Fort Benning, Georgia, \$97,389.

Cavalry activities: For instruction in Cavalry activities, \$3,200.

Field Artillery activities: For instruction in Field Artillery activities, \$63,786.

Coast Artillery activities: For instruction in Coast Artillery activities, including antiaircraft and barrage balloon activities, \$1,625.

In all, \$166,000: *Provided*. That all funds heretofore and herein appropriated for the fiscal year 1942 under the titles "Infantry School, Fort Benning, Georgia", "Instruction in Cavalry activities", "Instruction in Field Artillery activities", and "Coast Artillery School, Fort Monroe, Virginia", shall be disbursed and accounted for as one fund under the title "Special service schools".

1 ARMORED FORCE

2 INSTRUCTION IN ARMORED FORCE ACTIVITIES

3 For instruction in Armored Force activities, \$152,016.

4 UNITED STATES MILITARY ACADEMY

5 MAINTENANCE AND OPERATION, UNITED STATES MILITARY  
6 ACADEMY

7 Maintenance and operation, United States Military  
8 Academy, \$357,580.

9 GENERAL PROVISIONS

10 SEC. 101. Limitations on appropriations heretofore and  
11 herein enacted and available for obligation during the fiscal  
12 years 1942 and 1943, which prohibit the payment of per-  
13 sons who are not citizens of the United States, shall not apply  
14 to persons who have lost their citizenship by serving in the  
15 armed forces of another nation but who apply and are  
16 accepted for service in the Army of the United States.

17 SEC. 102. Under appropriations available to the Mili-  
18 tary Establishment, the Secretary of War is authorized to  
19 effect appointments of employees in the United States, or to  
20 effect the transfer of employees in the Federal service in the  
21 United States, for duty at any point outside the continental  
22 limits of the United States or in Alaska at which it may be  
23 found necessary to assign such civilian employees, and to pay  
24 the costs of transportation of such employees from place of



1 engagement in the United States, or from present post of duty  
2 in the United States, in the case of those employees already  
3 in the service of the United States, to the post of duty out-  
4 side the United States or in Alaska, and return upon comple-  
5 tion of assignment or after such period of service as may be  
6 prescribed by the head of the Department; to provide for the  
7 shipment of personal effects of persons so appointed or  
8 transferred from place of engagement or from present post  
9 of duty in the United States to the post of duty outside the  
10 continental United States or in Alaska.

11 SEC. 103. Whenever the President deems it to be in the  
12 interest of national defense, he may authorize the Secretary  
13 of War to sell, transfer title to, exchange, lease, lend, or  
14 otherwise dispose of, to the government of any country whose  
15 defense the President deems vital to the defense of the United  
16 States, any defense articles procured from funds appropriated  
17 in this title, in accordance with the provisions of the Act of  
18 March 11, 1941 (Public Law 11): *Provided*, That the  
19 total value of articles disposed of under this authority shall not  
20 exceed \$2,220,000,000: *Provided further*, That the term  
21 "defense article" as used herein shall be deemed to include  
22 defense information and services, and the expenses in con-

1 nection with the procurement or supplying of defense articles,  
2 information, and services.

3 SEC. 104. This title may be cited as "Title VI, Military  
4 Appropriation Act, 1942".

5 TITLE II—NAVY DEPARTMENT

6 For additional amounts for appropriations for the Navy  
7 Department and the naval service, fiscal year 1942, to be  
8 supplemental and additional to the appropriations and funds  
9 in the Naval Appropriation Act for the fiscal year 1942,  
10 including the objects and subject to the limitations and con-  
11 ditions specified under the respective headings and subject  
12 to the provisions under the heading "General Provisions"  
13 contained in said Act, except as otherwise provided herein,  
14 as follows:

15 NAVAL ESTABLISHMENT

16 OFFICE OF THE SECRETARY

17 MISCELLANEOUS EXPENSES

18 The provisions under this heading in the Naval Appro-  
19 priation Act, 1942, as amended, and in the Naval Appropria-  
20 tion Act, 1943, limiting the number of civilian officers and  
21 employees who may be employed in the Navy Department  
22 proper, at Washington, are hereby amended, respectively,  
23 by increasing such number to twenty thousand, and the  
24 Secretary of the Navy is authorized to employ one additional

1 employee at a per annum salary rate in excess of \$5,000,  
 2 but not in excess of the appropriate rate established in accord-  
 3 ance with the Classification Act of 1923, as amended:  
 4 *Provided*, That section 304 of the Second Deficiency Appro-  
 5 priation Act, 1941, shall not apply to citizens of the  
 6 Commonwealth of the Philippines from and including the  
 7 date of approval of such Act, and the Secretary of the Navy  
 8 is authorized to make payments for services rendered by  
 9 such citizens during the fiscal year 1942 out of the applicable  
 10 appropriations.

11 CONTINGENT, NAVY,

12 Contingent, Navy, \$130,000.

13 NAVAL PRISON FARMS AND PRISON PERSONNEL

14 Naval Prison Farms and Prison Personnel, without re-  
 15 gard to the existing expenditure limitation, \$8,000.

16 BUREAU OF SHIPS

17 MAINTENANCE, BUREAU OF SHIPS

18 Maintenance, Bureau of Ships: The appropriations under  
 19 this head for the fiscal years 1942 and 1943 shall be available  
 20 for repairs, conversions, and restorations on nonnaval vessels  
 21 operated for naval requirements; and for the accomplishment  
 22 of the purposes authorized by Public Law 280, approved  
 23 October 24, 1941, amended by Public Law 446, approved  
 24 February 10, 1942.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

## BUREAU OF ORDNANCE

### ORDNANCE AND ORDNANCE STORES, NAVY

Ordnance and ordnance stores, Navy, \$183,692,000.

## BUREAU OF SUPPLIES AND ACCOUNTS

### PAY, SUBSISTENCE, AND TRANSPORTATION OF NAVAL PERSONNEL

The number of officers above the rank of captain, who may receive flight pay during the fiscal year 1942, is increased from nine to twenty-three: *Provided*, That flight orders and the right to flight pay as to those officers above the rank of captain not now entitled to flight pay shall be subject to the conditions prescribed in the Naval Appropriation Act, 1943.

## BUREAU OF AERONAUTICS

### AVIATION, NAVY

Aviation, Navy, including not to exceed \$220,000,000 for expansion of and facilities in public or private plants and for expediting the production of naval aircraft, equipment, parts and accessories, \$464,827,500: *Provided*, That the funds appropriated under this head for the fiscal years 1942 and 1943 shall be available for outfits for aviation messes at air stations or elsewhere.

## MARINE CORPS

### PAY, MARINE CORPS

Pay of enlisted men, active list, \$4,756,000.



## 1                   GENERAL EXPENSES, MARINE CORPS

2           For provisions, subsistence, and so forth, \$5,495,000;

3           For transportation of troops, and so forth, \$2,220,000;

4           For miscellaneous supplies and expenses, \$1,680,000;

5           In all, to be accounted for as one fund, \$9,395,000.

## 6           INCREASE AND REPLACEMENT OF NAVAL

## 7                   VESSELS

8           Armor, armament, and ammunition: The Secretary of  
9   the Navy is hereby authorized to enter into contracts, in addi-  
10   tion to existing appropriations therefor, for tools, equipment,  
11   and facilities in and land for public and private plants for the  
12   manufacture or production of ordnance material, munitions,  
13   and armor, and for the protection of private plants, in an  
14   amount of \$100,000,000, the total amount authorized in this  
15   and prior Acts for such purposes being \$595,000,000.

## 16                   REPAIR FACILITIES, NAVY

17          Repair facilities, Navy: The Secretary of the Navy is  
18   hereby authorized to enter into contracts, in addition to  
19   existing appropriations therefor, for repair facilities in the  
20   amount of \$25,000,000.

## 21                   COAST GUARD

22          General expenses, Coast Guard, \$1,543,000: *Provided*,  
23   That existing limitations upon amounts that may be used  
24   by the Coast Guard during the fiscal years 1942 and 1943 for  
25   purchase, exchange, maintenance, operation, and repair of

1 motor-propelled passenger-carrying vehicles are hereby  
2 suspended.

3 Construction of vessels and shore facilities, Coast Guard,  
4 including rental of shore facilities for temporary use,  
5 \$21,400,000.

6 NAVAL EMERGENCY FUND

7 Naval emergency fund, including naval objects and pur-  
8 poses other than personal services, whether or not provided  
9 for under other naval appropriations, which the Secretary  
10 of the Navy may deem essential to the war effort, to remain  
11 available until June 30, 1943, \$10,000,000.

12 GENERAL PROVISIONS

13 SEC. 201. Whenever the President deems it to be in  
14 the interest of national defense he may authorize the Secre-  
15 tary of the Navy to sell, transfer title to, exchange, lease,  
16 lend, or otherwise dispose of, to the government of any  
17 country whose defense the President deems vital to the  
18 defense of the United States, any defense articles procured  
19 from funds appropriated in this title, in accordance with the  
20 provisions of the Act of March 11, 1941 (Public Law 11) :  
21 *Provided*, That the total value of articles disposed of under  
22 this authority shall not exceed \$18,000,000: *Provided fur-*  
23 *ther*, That the term "defense article" as used herein shall  
24 be deemed to include defense information and services, and  
25 the expenses in connection with the procurement or supply-

1 ing of defense articles, information, and services: *Provided*  
2 *further*, That the limitation of \$2,500,000,000 established  
3 in section 301 of the Act of February 7, 1942 (Public Law  
4 441), shall apply to all appropriations made to the Navy  
5 Department since March 11, 1941.

6 SEC. 202. This title may be cited as "Title VII, Naval  
7 Appropriation Act, 1942".

### 8 TITLE III—GENERAL APPROPRIATIONS

#### 9 LEGISLATIVE

##### 10 HOUSE OF REPRESENTATIVES

11 Contingent expenses: The appropriations for the fiscal  
12 years 1942 and 1943 for folding speeches and pamphlets shall  
13 also be available, in addition to the rate of compensation spec-  
14 ified therein, for employment of personnel at a rate not to  
15 exceed \$4 per day per person; and as to such appropriation  
16 for the fiscal year 1942, such latter rate shall be effective  
17 March 23, 1942.

18 The Clerk of the House of Representatives is authorized  
19 to store valued documents of the House of Representatives  
20 in the National Archives Building and such documents shall  
21 continue under his control and jurisdiction and shall be con-  
22 sulted or removed only on his written order. The Archivist  
23 shall assign suitable space and provide adequate protective  
24 custody for such documents.

## ARCHITECT OF THE CAPITOL

1

2 Capitol Power Plant: For an additional amount for light-  
3 ing, heating, and power for the Capitol, Senate and House  
4 Office Buildings, Supreme Court Building, Congressional  
5 Library Buildings, and so forth, including the objects speci-  
6 fied under this head in the Legislative Branch Appropria-  
7 tion Act, 1942, \$45,650.

8

## THE JUDICIARY

9

## SUPREME COURT OF THE UNITED STATES

10 Preparation of Rules for Civil Procedure: For all ex-  
11 penses of the Supreme Court of the United States to provide  
12 for expenses of the committee designated by the Court as a  
13 continuing advisory committee to advise the Court with  
14 respect to proposed amendments or additions to the rules of  
15 Civil Procedure for the District Courts of the United States  
16 pursuant to the Act entitled "An Act to give the Supreme  
17 Court of the United States authority to make and publish  
18 Rules in Actions at Law", approved June 19, 1934, includ-  
19 ing personal services in the District of Columbia and else-  
20 where and printing and binding, to be expended as the Chief  
21 Justice in his discretion may direct, including such per diem  
22 allowances in lieu of actual expenses for subsistence at rates  
23 to be fixed by him not to exceed \$10 per day, fiscal years  
24 1942 and 1943, \$15,800.



## 1           INDEPENDENT EXECUTIVE AGENCIES

## 2                   CIVIL SERVICE COMMISSION

3       National defense activities: For an additional amount  
 4 for national defense activities, fiscal year 1942, including  
 5 the objects specified under this heading in the Independent  
 6 Offices Appropriation Act, 1942, \$800,000.

## 7                   FEDERAL SECURITY AGENCY

## 8                           OFFICE OF EDUCATION

9       Education and training, defense workers (national de-  
 10 fense) : For an additional amount for payments to States,  
 11 and so forth (national defense), fiscal year 1942, for the  
 12 cost of short courses of college grade, as provided in para-  
 13 graph (3) under this head in the Federal Security Agency  
 14 Appropriation Act, 1942, \$3,000,000.

15       The appropriation made by paragraph “(1)” under the  
 16 heading “Education and training, defense workers (na-  
 17 tional defense)” in the Federal Security Agency Appro-  
 18 priation Act, 1942, shall also be available for the cost of  
 19 vocational courses (either by classes or by individuals) of  
 20 less than college grade in private vocational schools (regard-  
 21 less of tax liability) and in other private facilities where  
 22 equipment for training is available.

## 23                           SOCIAL SECURITY BOARD

24       Grants to States for old-age assistance: For an addi-

1 tional amount for grants to States for old-age assistance,  
2 subject to the conditions specified under this heading in  
3 the Federal Security Agency Appropriation Act, 1942,  
4 \$30,000,000.

5 Grants to States for unemployment compensation ad-  
6 ministration: For an additional amount, fiscal year 1942, for  
7 unemployment compensation administration, including grants  
8 to States, \$10,000,000, which, together with the appro-  
9 priation under this heading in the Federal Security Agency  
10 Appropriation Act, 1942, shall be available, in addition  
11 to the objects specified under said heading, for the admin-  
12 istration by the Social Security Board of public employ-  
13 ment offices in the various States, including printing and  
14 binding and the transfer of household goods and effects,  
15 as provided in the Act of October 10, 1940: *Provided*,  
16 That the Federal Security Administrator may delegate to  
17 such officers or employees as he may designate for the  
18 purpose all authority in connection with the transfer of per-  
19 sonnel and household goods and effects from one official sta-  
20 tion to another.

21 PUBLIC HEALTH SERVICE

22 Pay of personnel and maintenance of hospitals: For an  
23 additional amount, fiscal year 1942, for pay of personnel and  
24 maintenance of hospitals, including the objects and subject

1 to the limitations specified under this head in the Federal  
2 Security Agency Appropriation Act, 1942, \$453,000.

3 SAINT ELIZABETHS HOSPITAL

4 Continuous-treatment buildings: For an additional  
5 amount for the completion of construction and equipment,  
6 in the grounds of the hospital, of two continuous-treatment  
7 buildings, \$200,000, to remain available until completion of  
8 said work.

9 FEDERAL WORKS AGENCY

10 National Bureau of Standards, additional facilities, Wash-  
11 ington, District of Columbia: For the construction of a serv-  
12 ice building and a second story on the existing radio labora-  
13 tory building on the grounds of the National Bureau of Stand-  
14 ards, Washington, District of Columbia, including all admin-  
15 istrative expenses in connection therewith, \$280,000.

16 Emergency safeguarding of public buildings and prop-  
17 erty: To enable the Public Buildings Administration, inde-  
18 pendently or in cooperation with other agencies of the Gov-  
19 ernment, without regard to sections 3709 and 355 of the  
20 Revised Statutes and section 322 of the Act of June 30,  
21 1932, to provide for the emergency safeguarding from sub-  
22 versive hostile acts and overt acts of aggression or depreda-  
23 tion of the following: (1) Federal buildings and leased  
24 quarters wholly occupied by the Government, regardless of

1 location, jurisdiction, and control (except those under the  
2 control of the War and Navy Departments) ; (2) adminis-  
3 trative buildings of the government of the District of Colum-  
4 bia ; (3) utilities, not otherwise protected, that are necessary  
5 for the operation of such buildings ; and (4) records, valuable  
6 materials, and other property of the United States, and all  
7 expenses incident to the foregoing including the construction  
8 or rental of buildings and other facilities for storage purposes  
9 within and outside the District of Columbia and the purchase  
10 or rental of land therefor, the remodeling of such buildings  
11 necessary for the protection of records, valuable materials,  
12 and other property, and the extension and protection, not  
13 otherwise provided, of Government-owned utilities, and for  
14 all expenses incident to the foregoing, including the purchase  
15 of materials, equipment, and apparatus, and repairs, con-  
16 struction or reconstruction of buildings damaged by such  
17 subversive or overt acts ; personal services in the District of  
18 Columbia and elsewhere without regard to the civil-service  
19 or classification laws, \$12,500,000, to remain available dur-  
20 ing the existence of the emergency declared by the President  
21 May 27, 1941, of which amount not exceeding \$350,000  
22 may be used for administrative expenses: *Provided*, That  
23 the cost-plus-a-percentage-of-cost system of contracting shall  
24 not be used, but this proviso shall not be construed to prevent  
25 the use of a cost-plus-a-fixed-fee form of contract: *Provided*



1 *further*, That codes developed as guides for the accomplish-  
2 ment of the purposes hereof shall be subject to the approval  
3 of the Federal Works Administrator: *Provided further*, That  
4 activities with respect to subversive hostile acts shall be co-  
5 ordinated with the facility security program of the Office of  
6 Civilian Defense: *Provided further*, That so much of the fore-  
7 going appropriation (not to exceed \$100,000) as may be  
8 needed for the Capitol Building and Grounds, Senate Office  
9 Building, House Office Buildings, Library of Congress Build-  
10 ings, United States Botanic Garden Buildings, Capitol Power  
11 Plant, Legislative Garage, United States Supreme Court  
12 Building, and any other buildings for which the Architect  
13 of the Capitol is responsible for structural and mechanical  
14 care, shall be transferred on the books of the Treasury from  
15 time to time as may be agreed upon by the Architect of  
16 the Capitol and the Commissioner of Public Buildings, for  
17 direct expenditure by such Architect under the authority  
18 of this paragraph, and including professional and technical  
19 services without reference to section 35 of the Public Build-  
20 ings Act of June 25, 1910, as amended.

21 Salaries and expenses, public buildings and grounds in  
22 the District of Columbia and adjacent area: For an addi-  
23 tional amount for salaries and expenses, public buildings and  
24 grounds in the District of Columbia and adjacent area, fiscal  
25 year 1942, including the objects specified under this

1 head in the Independent Offices Appropriation Act, 1942,  
2 \$3,413,394: *Provided*, That the limitation upon the amount  
3 which may be expended for purchase, repair, and cleaning  
4 of uniforms for guards and elevator conductors for the fiscal  
5 year 1942 is hereby waived.

6 Salaries and expenses, public buildings and grounds out-  
7 side the District of Columbia: For an additional amount for  
8 salaries and expenses, public buildings and grounds outside  
9 the District of Columbia, fiscal year 1942, including the  
10 objects specified under this head in the Independent Offices  
11 Appropriation Act, 1942, \$278,627.

12 PUBLIC ROADS ADMINISTRATION

13 Access roads: Authority is hereby granted, in addition  
14 to the authority granted for the same purpose under this  
15 heading in the Third Supplemental National Defense Appro-  
16 priation Act, 1942, to enter into contracts in the amount  
17 of \$20,000,000 for the construction and improvement of  
18 access roads and for replacing existing highways and high-  
19 way connections as described in and in accordance with  
20 section 6 of the Defense Highway Act of 1941 (Public  
21 Law 295), such authority to continue during the existence  
22 of the emergency declared by the President on May 27, 1941.

23 VETERANS' ADMINISTRATION

24 Administration, medical, hospital, and domiciliary serv-  
25 ices: For an additional amount, fiscal year 1942, for all

1 salaries and expenses of the Veterans' Administration, in-  
2 cluding the objects and subject to the limitations specified  
3 under this head in the Independent Offices Appropriation  
4 Act, 1942, \$1,600,000.

5       Printing and binding: For an additional amount for  
6 printing and binding for the Veterans' Administration, fiscal  
7 year 1942, \$70,000.

## 8               DEPARTMENT OF AGRICULTURE

### 9                       FOREST SERVICE

#### 10                               SALARIES AND EXPENSES

11       National forest protection and management: For an ad-  
12 ditional amount for national forest protection and manage-  
13 ment, to be used for the care of plantations and young  
14 growth, fiscal year 1942, \$250,000, to remain available  
15 until June 30, 1943.

16       Forest-fire control, Department of Agriculture (emer-  
17 gency) : For all necessary expenses to enable the Secretary  
18 of Agriculture, independently or in cooperation with the vari-  
19 ous States or other appropriate agencies or individuals, to  
20 intensify and augment forest-fire prevention and suppression  
21 measures in critical areas on Federal, State, county, munici-  
22 pal, or private lands, including the purchase (not to exceed  
23 \$5,000), operation, and maintenance of passenger-carrying  
24 vehicles, and not to exceed \$15,000 for personal services in  
25 the District of Columbia, fiscal year 1942, \$2,000,000, to

1 remain available until June 30, 1943: *Provided*, That there  
2 shall not be expended from this appropriation on non-Federal  
3 lands in any State any amount in excess of the amount made  
4 available by the State, or private agencies, or individuals  
5 for the purposes of this appropriation: *Provided further*,  
6 That sections 2 and 3 of the Department of Agriculture  
7 Appropriation Act, 1942, or similar provisions in this Act  
8 or in the Act making appropriations for said Department  
9 for the fiscal year 1943 shall not apply to persons employed  
10 hereunder for less than sixty days on sudden emergency  
11 work involving the loss of human life or destruction of  
12 property.

13 BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

14 Control of incipient and emergency outbreaks of insect  
15 pests and plant diseases: To enable the Secretary of Agriculture  
16 to carry out the provisions of and for expenditures authorized  
17 by the joint resolution approved May 9, 1938 (7  
18 U. S. C. 148-148e), fiscal year 1942, \$1,665,000, to remain  
19 available until June 30, 1943.

20 EMERGENCY RUBBER PROJECT

21 For all expenses necessary to enable the Secretary of  
22 Agriculture to carry into effect the provisions of the Act of  
23 March 5, 1942 (Public Law 473), and in accordance with  
24 the provisions thereof, including personal services in the Dis-

1 trict of Columbia and elsewhere (including alien labor) ;  
2 printing and binding without regard to section 11 of the Act  
3 of March 1, 1919 (44 U. S. C. 111) ; purchase of books of  
4 reference and periodicals; the purchase (not to exceed  
5 \$13,000), operation, and maintenance of passenger-carrying  
6 vehicles; the exchange of passenger-carrying and other  
7 motor vehicles, tractors, and other equipment and parts  
8 or accessories thereof, in whole or in part payment for  
9 similar equipment; the erection of necessary buildings;  
10 the procurement of medical supplies and services for  
11 emergency use in the field; and the acceptance of dona-  
12 tions of land and rubber-bearing plants, \$4,200,000, to re-  
13 main available until June 30, 1943: *Provided*, That any  
14 proceeds from the sales of guayule, rubber processed from  
15 guayule, or other rubber-bearing plants, or from other  
16 sales resulting from operations under such Act of March 5,  
17 1942, shall be covered into the Treasury as "Miscellaneous  
18 receipts": *Provided further*, That the allocations of  
19 \$884,000 and \$750,000 for these purposes from the  
20 emergency fund for the President in the Independent Offices  
21 Appropriation Act, 1942, made by letter Numbered 42-75,  
22 dated February 6, 1942, and letter Numbered 42-89,  
23 dated March 10, 1942, respectively, shall be transferred to  
24 and made a part of this appropriation, and immediately



1 thereafter an amount equal to such allocation shall be repaid  
2 to said Emergency Fund for the President (Public Law 473,  
3 Seventy-seventh Congress).

4 DEPARTMENT OF COMMERCE

5 BUREAU OF THE CENSUS

6 Expenses of the Sixteenth Census: For an additional  
7 amount for continuing the work of taking, compiling, and  
8 publishing the Sixteenth Census of the United States, fiscal  
9 year 1942, including the objects specified under this head  
10 in the Department of Commerce Appropriation Act, 1942,  
11 \$500,000.

12 OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

13 Enforcement of safety regulations: For an additional  
14 amount, fiscal year 1942, for enforcement of safety regula-  
15 tions, including the objects specified under this head in  
16 the Department of Commerce Appropriation Act, 1942,  
17 \$166,000.

18 Establishment of air-navigation facilities: For an addi-  
19 tional amount, fiscal year 1942, for establishment of air-  
20 navigation facilities, including the objects specified under  
21 this head in the Department of Commerce Appropriation  
22 Act, 1942, \$1,940,000: *Provided*, That this appropriation  
23 and the unobligated balances of the appropriations for this  
24 purpose contained in said Appropriation Act and in the First

1 Supplemental National Defense Appropriation Act, 1942,  
2 shall continue available until June 30, 1943.

3 Maintenance and operation of air-navigation facilities:  
4 For an additional amount, fiscal year 1942, for maintenance  
5 and operation of air-navigation facilities, including the ob-  
6 jects specified under this head in the Department of Com-  
7 merce Appropriation Act, 1942, and including the training  
8 of employees to be assigned to the operation and maintenance  
9 of air-navigation facilities, \$823,720: *Provided*, That the  
10 limitation on the amount which may be expended for airport  
11 traffic control contained in the First Supplemental National  
12 Defense Appropriation Act, 1942, is hereby removed.

13 Development of landing areas: The unexpended balances  
14 of the appropriations under this head made by the First Sup-  
15 plemental Civil Functions Appropriation Act, 1941, the  
16 Department of Commerce Appropriation Act, 1942, the First  
17 Supplemental National Defense Appropriation Act, 1942, and  
18 the Third Supplemental National Defense Appropriation Act,  
19 1942, are hereby consolidated, to be accounted for as one  
20 fund, which shall be available until June 30, 1943, for the  
21 construction, improvement, and repair of public airports and  
22 other public landing areas as authorized in said Acts and for  
23 necessary administrative expenses incident thereto, subject  
24 to the limitations in said Acts, including engineering services

1 and supervision of construction: *Provided*, That this appro-  
2 priation shall be available for transfer to other Federal agen-  
3 cies to carry out the purposes hereof as specified under this  
4 head in the Department of Commerce Appropriation Act,  
5 1942.

6 COAST AND GEODETIC SURVEY

7 Amounts appropriated for "Magnetic and seismological  
8 work" and "Office force", Coast and Geodetic Survey, in the  
9 Department of Commerce Appropriation Act, 1941, are  
10 hereby increased by \$380 and \$830, respectively, by transfer  
11 from the appropriation contained in said Act for "Field ex-  
12 penses, coastal surveys", Coast and Geodetic Survey.

13 DEPARTMENT OF THE INTERIOR

14 OFFICE OF THE SECRETARY

15 Fire protection of forests, forest industries, and strategic  
16 facilities (national defense): For all necessary expenses to  
17 enable the Department of the Interior independently or in  
18 cooperation with other appropriate agencies to initiate and  
19 intensify and augment forest fire prevention and suppression  
20 measures on critical forest, brush, and grass areas under the  
21 administration of the Department of the Interior, including  
22 not to exceed \$8,000 for personal services in the District of  
23 Columbia; purchase (not to exceed \$6,000), maintenance,  
24 operation, and repair of passenger-carrying automobiles;  
25 hire, with or without personal services, of work animals and

1 animal-drawn and motor-propelled vehicles and equipment;  
2 and purchase in the District of Columbia or elsewhere of other  
3 items otherwise properly chargeable to the appropriation  
4 "Contingent expenses, Department of the Interior", fiscal  
5 year 1942, \$324,800, to remain available until June 30,  
6 1943: *Provided*, That for sudden emergency work involving  
7 the loss of human life or the destruction of property, persons  
8 may be employed for periods of less than sixty days and be  
9 paid salaries or wages from this appropriation without regard  
10 to citizenship and without regard to membership in an or-  
11 ganization that advocates the overthrow of the Government.

12 Protection of mineral resources and facilities, including  
13 petroleum (national defense): For all necessary expenses  
14 to enable the Department of the Interior independently or  
15 in cooperation with other appropriate agencies, public or  
16 private, to initiate and intensify and augment measures to  
17 prevent subversive activities from interfering with the extrac-  
18 tion and processing of minerals and petroleum, including not  
19 to exceed \$50,000 for personal services in the District of  
20 Columbia; purchase (not to exceed \$50,000), maintenance,  
21 operation, and repair of passenger-carrying automobiles; trav-  
22 eling expenses, including expenses of attendance at meetings  
23 of members of societies or associations concerned with the  
24 furtherance of the purposes hereof; hire, with or without  
25 personal services, of work animals and animal-drawn and

1 motor-propelled vehicles and equipment; not to exceed  
2 \$6,000 for printing and binding; purchase of special apparel  
3 and equipment for the protection of employees while engaged  
4 in their work; and purchase in the District of Columbia and  
5 elsewhere of other items otherwise properly chargeable to  
6 the appropriation "Contingent expenses, Department of the  
7 Interior", fiscal year 1942, \$800,000, to remain available  
8 until June 30, 1943.

9 GOVERNMENT IN THE TERRITORIES

10 Contingent expenses, Territory of Alaska: For an addi-  
11 tional amount for incidental and contingent expenses of the  
12 offices of the Governor and the Secretary of the Territory,  
13 including the objects specified for the appropriation for this  
14 purpose in the Interior Department Appropriation Act,  
15 1942, fiscal year 1942, \$1,300, of which \$525 shall be for  
16 clerk hire.

17 Defraying deficits in treasuries of municipal govern-  
18 ments, Virgin Islands: For an additional amount, fiscal  
19 year 1942, for defraying the deficit in the treasury of the  
20 municipal government of Saint Croix because of the excess  
21 of current expenses over current revenues for the fiscal year  
22 1942, \$10,000.

23 DEPARTMENT OF JUSTICE

24 IMMIGRATION AND NATURALIZATION SERVICE

25 Salaries and expenses: For an additional amount for



1 "Salaries and expenses, Immigration and Naturalization  
2 Service", fiscal year 1942, including the objects specified  
3 under this heading in the Department of Justice Appropria-  
4 tion Act, 1942, \$4,750,000, including alterations, improve-  
5 ments, and repairs to premises occupied for detention pur-  
6 poses without regard to section 322 of the Act of June 30,  
7 1932 (40 U. S. C. 278a), when authorized or approved  
8 by the Attorney General, and for all necessary expenses  
9 incident to the maintenance, care, detention, surveillance,  
10 parole, and transportation of alien enemies, including trans-  
11 portation and other expenses in the return of such aliens  
12 to place of bona fide residence or to such other place as  
13 may be authorized by the Attorney General.

14 MISCELLANEOUS

15 Lands Division, salaries and expenses: For an additional  
16 amount for salaries and expenses, Lands Division, Depart-  
17 ment of Justice, fiscal year 1942, including the objects  
18 specified under this head in the Department of Justice  
19 Appropriation Act, 1942, \$300,000.

20 Alien Enemy Control Unit, salaries and expenses: For  
21 salaries and expenses in connection with the registration and  
22 control of alien enemies in accordance with sections 4067-  
23 4070 of the Revised Statutes of the United States, as amended  
24 (50 U. S. C. 21-24), including personal services in the  
25 District of Columbia and elsewhere; traveling expenses; pur-

1 chase, exchange, rental, and repair of typewriters and other  
2 labor-saving office appliances; printing and binding; and all  
3 other contingent expenses in the District of Columbia and  
4 elsewhere, fiscal year 1942, \$1,700,000, to remain available  
5 until June 30, 1943, of which not to exceed \$200,000 may  
6 be expended for personal services without regard to the civil  
7 service and classification laws: *Provided*, That this appro-  
8 priation shall be available for transfer to or reimbursement  
9 of other public agencies, Federal, State, or local, for assist-  
10 ance rendered hereunder: *Provided further*, That \$325,000  
11 of this appropriation shall be transferred to the emergency  
12 fund for the President created by the Independent Offices  
13 Appropriation Act, 1942, in reimbursement of said appro-  
14 priation on account of the advance therefrom of a like sum for  
15 the purposes hereof.

## 16 DEPARTMENT OF LABOR

### 17 OFFICE OF THE SECRETARY

18 Commissioners of conciliation (national defense): For  
19 an additional amount for the fiscal year 1942 for "Commis-  
20 sioners of conciliation (national defense)", including the  
21 objects specified under this heading in the Department of  
22 Labor Appropriation Act, 1942, \$76,500.

23 Wage and Hour Division: Not to exceed \$45,000 of  
24 the appropriation "Salaries, Wage and Hour Division, De-  
25 partment of Labor, 1942", may be transferred to the appro-

1 priation "Miscellaneous expenses, Wage and Hour Division,  
2 Department of Labor, 1942".

3 POST OFFICE DEPARTMENT

4 (OUT OF THE POSTAL REVENUES)

5 CONTINGENT EXPENSES

6 Printing and binding: For an additional amount for  
7 printing and binding for the Post Office Department, fiscal  
8 year 1942, \$235,000.

9 DEPARTMENT OF STATE

10 PASSPORT AGENCIES

11 For an additional amount for passport agencies, including  
12 the objects specified under this heading in the Department  
13 of State Appropriation Act, 1942, \$7,000; and the limitation  
14 of \$500 for travel expenses is hereby increased to \$1,100.

15 AMBASSADORS AND MINISTERS

16 Salaries, ambassadors and ministers, 1942: The appro-  
17 priation for salaries of ambassadors and ministers contained  
18 in the Department of State Appropriation Act, 1942, shall  
19 be available for salaries of Ambassadors Extraordinary and  
20 Plenipotentiary to Bolivia, Ecuador, and Paragnay, at the  
21 rate of \$10,000 per annum each, and for the salary of an  
22 Envoy Extraordinary and Minister Plenipotentiary to New  
23 Zealand at the rate of \$10,000 per annum.

## TREASURY DEPARTMENT

## OFFICE OF THE SECRETARY

Salaries and expenses, Foreign-owned property control:  
For an additional amount for salaries and expenses, foreign-owned property control, fiscal year 1941, including the objects specified under this heading in the Second Deficiency Appropriation Act, 1940, \$30,412.

For an additional amount for salaries and expenses, foreign-owned property control, fiscal year 1942, including the objects specified under this heading in the Treasury Department Appropriation Act, 1942, \$2,500,000.

## BUREAU OF ACCOUNTS

Division of Disbursement: For an additional amount for the Division of Disbursement, fiscal year 1942, including the objects specified under this heading in the Treasury Department Appropriation Act, 1942, \$200,000: *Provided*, That the responsibility and accountability of certifying officers under the Act of December 29, 1941 (Public Law 389), shall be deemed to include the correctness of the computations of certified vouchers and disbursing officers shall not be held accountable under section 1 of such Act for the correctness of such computations.

There may be transferred with the approval of the Director of the Bureau of the Budget, not to exceed \$75,000 from

1 the appropriation for administrative expenses of the Procure-  
2 ment Division, Treasury Department, contained in section 2  
3 (a) of the Emergency Relief Appropriation Act, fiscal year  
4 1942, to the appropriation for administrative expenses of the  
5 Division of Disbursement, contained in the same section of  
6 such Act.

7 OFFICE OF TREASURER OF UNITED STATES

8 Salaries: For an additional amount for salaries, Office  
9 of Treasurer of United States, fiscal year 1942, including the  
10 objects specified under this heading in the Treasury Depart-  
11 ment Appropriation Act, 1942, \$100,000.

12 TITLE IV—GENERAL PROVISIONS

13 SEC. 401. Section 2 of the First Supplemental National  
14 Defense Appropriation Act, 1942, and the last proviso under  
15 the caption Military Posts in title IV, Military Appropriation  
16 Act, 1941, are hereby repealed.

17 SEC. 402. No part of any appropriation contained in  
18 this Act shall be used to pay the salary or wages of any  
19 person who advocates, or who is a member of an organi-  
20 zation that advocates, the overthrow of the Government of  
21 the United States by force or violence: *Provided*, That for  
22 the purposes hereof an affidavit shall be considered *prima*  
23 *facie* evidence that the person making the affidavit does not  
24 advocate, and is not a member of an organization that advo-



1 cates, the overthrow of the Government of the United States  
2 by force or violence: *Provided further*, That any person  
3 who advocates, or who is a member of an organization that  
4 advocates, the overthrow of the Government of the United  
5 States by force or violence and accepts employment the  
6 salary or wages for which are paid from any appropriation  
7 in this Act shall be guilty of a felony and, upon conviction,  
8 shall be fined not more than \$1,000 or imprisoned for not  
9 more than one year, or both: *Provided further*, That the  
10 above penalty clause shall be in addition to, and not in  
11 substitution for, any other provisions of existing law.

12 SEC. 403. No part of any appropriation contained in  
13 this Act or authorized hereby to be expended (except as  
14 otherwise provided for herein) shall be used to pay the  
15 compensation of any officer or employee of the Government  
16 of the United States, whose post of duty is in continental  
17 United States unless such person is a citizen of the United  
18 States, or a person in the service of the United States on  
19 the date of the approval of this Act who being eligible for  
20 citizenship had theretofore filed a declaration of intention to  
21 become a citizen or who owes allegiance to the United  
22 States. This section shall not apply to citizens of the Com-  
23 monwealth of the Philippines.

24 SEC. 404. Section 302 (c) of the Treasury and Post  
25 Office Departments Appropriation Act, 1942, and section

1 302 (c) of the Treasury and Post Office Departments Ap-  
2 propriation Act, 1943, are hereby repealed; and the limita-  
3 tion of \$750 specified in section 302 (a) of each of such  
4 Acts and any similar limitation of the same or a lesser sum  
5 specified in any other appropriation Act for such fiscal years  
6 may be exceeded by such amount as the Secretary of War,  
7 in the case of the War Department, the Secretary of the  
8 Navy, in the case of the Navy Department, and the Director  
9 of Procurement, in the case of other essential governmental  
10 needs, may determine necessary to obtain satisfactory motor-  
11 propelled passenger-carrying vehicles of the lightweight, low-  
12 priced class, but in no event shall the price so paid for any  
13 such vehicle exceed \$900 free on board factory.

14 SEC. 405. This Act may be cited as the "Sixth Supple-  
15 mental National Defense Appropriation Act, 1942".



## INDEX

---

Legislative:	Page
House of Representatives-----	15
Architect of the Capitol-----	16
Judiciary: United States Supreme Court-----	16
Independent executive agencies:	
Civil Service Commission-----	17
Federal Security Agency-----	17
Federal Works Agency-----	19
Veterans' Administration-----	22
Executive departments:	
Agriculture-----	23
Commerce-----	26
Interior-----	28
Justice-----	30
Labor-----	32
Navy-----	10-15
Post Office-----	33
State-----	33
Treasury-----	34
War-----	1-10
General provisions-----	35

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**H. R. 6868**

[Report No. 1956]

---

# A BILL

---

Making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

---

By Mr. CANNON of Missouri

---

MARCH 27, 1942

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed







Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from a constituent and an editorial from the Kansas City Star.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address delivered by Judge F. L. Henderson, of Bryan, Tex.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Boston Herald regarding the Women's Army Auxiliary Corps.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter I received from the Secretary of Agriculture.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PROPOSED RECESS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, with several of my Texas colleagues and other Members of the House, I agree that this is no time for the Congress to cease to be in session. The people of Texas and many sections of our Nation are demanding that both bodies of Congress immediately establish legislative policies with reference to excess profits and certain reprehensible acts of some industries, the 40-hour week, and delays occasioned by causes of any type. As one who has supported every measure designed to speed up our war effort, I am anxious that the Congress lose no time in acting on legislation pertaining to the problems mentioned.

#### EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial by Mr. Oberholser, editor of the Red Oak Express, of Red Oak, Iowa.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend by remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RABAUT. Mr. Speaker, also I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by J. Edgar Hoover, Director of the Federal Bureau of Investigation.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. HOFFMAN. Mr. Speaker, also, I ask unanimous consent to extend my remarks in the RECORD and include an editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PROPOSED RECESS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I agree with the gentleman from Texas [Mr. BECKWORTH], who just said that we should remain in session and adopt some labor policy; but if the majority party and the administration will not permit us to consider any legislation to that effect, why stay here? I, for one, if they refuse to let us bring out any legislation, intend to go home and tell all of the folks I can see why it is that we are not doing anything to remedy the trouble and who is responsible for it.

#### EXTENSION OF REMARKS

Mr. SANDERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a telegram I received from R. O. Middleton, secretary of the trade council, of Baton Rouge, La., together with my reply thereto.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SANDERS. Also, Mr. Speaker, I ask unanimous consent that I may be permitted to extend the remarks I made this morning in connection with the death of the late Mr. DeRouen.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address I recently delivered.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### LABOR LEGISLATION

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, some Members clamor for a recess so they can go home and find out what the people are thinking.

They can find that out by reading their mail; the people mean what they are saying.

When these Members go home they will find a rising tide of righteous indignation at the racketeering and profiteering now disrupting the country and slowing down our defense efforts.

If a Member is not willing to vote to amend or repeal laws that have virtually wiped out the Bill of Rights and that are now causing trouble throughout the country then he had just as well stay on here until his time expires—next January.

The highest right a man has in this life is the right to work for his daily bread—without having to pay tribute. That right has been taken away by these laws of which the people now complain.

Patriotic Americans are not going to let this country go the way of France.

Remember the House passed the bill to correct this situation on December 3—4 days before the Pearl Harbor disaster.

It is still pending in the Senate.

[Here the gavel fell.]

#### PATRIOTISM OF THE BASQUES

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DWORSHAK. Mr. Speaker, several weeks ago the House passed a bill authorizing the Attorney General to cancel deportation proceedings against 60 Basque aliens. At that time much interest was manifested by Members of the House in that particular nationality.

Yesterday I received a letter from a constituent at Twin Falls, Idaho, advising me that a group of 19 Basques in that community had sent a draft for \$780 to the War Department as a voluntary contribution for the purchase of war materials. These Basques are in no way related to those whose names were contained in that bill, but I am happy to call this incident to the attention of the House as an exemplification of the highest type of citizenship, and to give you a better understanding of the Basque people, who come from a province in



northern Spain. They are numbered among the most patriotic citizens of my district, and are loyally supporting our Government in the prosecution of our war effort.

[Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. FLAHERTY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the Boston Post.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### LABOR LEGISLATION

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I never thought I would become jealous of one of my colleagues. I so express that jealousy now. Here is an editorial from one of my home papers. It is part of a letter from a soldier from my district now stationed in the far South, in an army camp.

Representative RANKIN, who is from Mississippi, the State which has taken legal steps to stop interference with any man's right to work at a lawful vocation, shows his resentment at such attempts to discredit protests to Washington by attacking their source and gives the proper answer to them. Declaring that he is tired of insinuations that letters to Congressmen on labor matters are inspired by ulterior motives, RANKIN insists that the American people have a right to be heard and that among those who have been writing are "patriotic Americans whose boys are bleeding and dying because of lack of materials."

Then he goes on to say:

The soldier thinks Congressman RICH might be interested in seeking enactment of a similar law by Congress.

I want to say that the gentleman from Mississippi, JOHN RANKIN, will not go farther than that boy's own Congressman to enact legislation to stop strikes in defense industries, and I hope that the gentleman from Mississippi, JOHN RANKIN, will keep it up so that Congress and the President will get an inspiration here and we will adopt such legislation, and do it now. Now is the time to do it. We should not put it off any longer than is absolutely necessary. We must furnish ships, guns, ammunition, airplanes, and all other items of warfare to aid and assist our soldiers to win the war, and we must not permit anything to stop production. It is imperative and necessary to the winning of this war.

[Here the gavel fell.]

#### COAL MINERS IN PENNSYLVANIA

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Speaker, in the county in which I live, there are approximately 25,000 coal miners who work in

or about the coal mines. A good percent of them are Poles, Slovaks, Hungarians, Czechs, and Italians whose fathers and grandfathers came to this country between 1890 and 1910. They are among our most stable citizens. Many of them and practically all of their children have completed a high-school course.

Several thousand of these young men from this county enlisted in the Army, Navy, or marines long before selective service went into effect. No groups in all the country are more loyal and more patriotic to our institutions and to our way of life than these men who work in the mines.

Speaking of cooperating with the Government, the coal miners in my district really cooperate. They obey the rules and regulations; yes, even the suggestions relative to the war program. When the Government asked them to conserve tires, they organized. These miners have to drive 2, 5, or 10 miles, and some of them 30 or 40 miles to work every day. They got together and made arrangements so that four or five or six would go in Joe's car today, in Jim's car tomorrow, and Mike's the next day, and so forth, in order to save oil, rubber, gas, and so forth.

This is an example that thousands of Government employees here in Washington should follow. If you will observe the traffic on the streets in the morning between 7:30 and 9, you will find that three out of every four cars have just one person in them.

You will find the coal miners in my district living up to the laws and suggestions of the President, Donald Nelson, and others who are in authority to issue suggestions in behalf of our war effort.

[Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier this morning.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HILL of Washington. I also ask unanimous consent, Mr. Speaker, to extend my own remarks in the RECORD and to include an article on taxes and loans and the war functions by Prof. Walter A. Morton, of the University of Wisconsin.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, one gentleman who preceded me spoke about the importance of getting at profiteering and racketeering. I think we could well focus major attention on these two things, and I think we ought to act about them without delay. There are some other problems that

are also pressing and I want to point out one of them in particular.

Out in my State there is a group of men work for a shipbuilding company who have signed a petition, some thousand strong, asking to be permitted to work on Sundays without pay to themselves at all, provided only that their wages will be credited to them and paid by the company to the Government of the United States. Mr. Speaker, Members should think about this a little, because it has a lot to do with this question of the so-called 40-hour week, which really is a wage question and a question of who will get the benefit of the wages labor might lose, whether it is to be the companies or the United States.

[Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter I have received from a boy in my district. It is one of the most exceptional letters I have ever received and it is the first letter I have inserted in the RECORD in 14 years. It has appealed to me to that extent.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

#### SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6868 making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes (Report No. 1956); and pending that I would like to reach an agreement as to time with the gentleman from New York. Would it be agreeable to the gentleman from New York if we had an hour on each side?

Mr. TABER. I believe we ought to have just a little more than that. I think if we had two hours and a half equally divided that it would take care of requests for time.

Mr. CANNON of Missouri. Then, Mr. Speaker, I ask unanimous consent that time for debate be limited to two hours and a half to be equally divided and controlled by the gentleman from New York and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. HARE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HARE. There are some members of the Appropriations Committee who will have to attend sessions of the committee during the consideration of this bill. Would it be possible for such a Member to file with the Clerk objections to certain sections of the bill on the ground they are not germane? And, if not, would it be possible to leave a motion to strike certain provisions from the



bill and have that motion taken up in order regardless of whether the proponent were present or not?

The SPEAKER pro tempore. Answering the gentleman's parliamentary inquiry the Chair will state that to present a motion the Member making it would have to be on the floor in person.

Mr. HARE. That is, he could not prepare his motion and leave it with the Clerk for consideration.

The SPEAKER pro tempore. Nothing in the rules of the House permits that type of procedure.

The gentleman from Missouri asks unanimous consent that general debate be limited to two hours and a half, to be equally divided and controlled by the gentleman from New York and himself. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6868, the sixth supplemental national defense appropriation bill, 1942, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, I yield myself such time as I may need.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. CANNON of Missouri. Mr. Chairman, the preservation of democratic government rests not merely on an intelligent electorate but upon an informed electorate. A people must be not only capable of self-government, but they must also be accurately informed.

Never has the Government labored under a heavier burden of misinformation and misapprehension than today—misapprehension as to the efficiency with which the war is being conducted, misapprehension as to the extent and success of our program of production, misapprehension as to the character and integrity of the service of the officials of the Government and of the Members of Congress in particular.

Under a barrage of propaganda the people are encouraged to believe that waste and needless spending are rampant and that fumbling inefficiency and abysmal stupidity are losing the war.

It is true that we are suffering heavy reverses—and will continue to suffer heavy reverses for some time to come—but that is to be expected. It is the result of conditions which should be apparent to everybody. We are attacked unexpectedly by two of the greatest military powers the world has ever seen. Under generations of compulsory military training they are inured to warfare and under carefully matured plans of conquest have accumulated through the last decade vast supplies of mechanized equipment while we have been lulled to sleep by dependence on international law and the assumption of continued peace. It would be absurd to expect instantane-

ous victories under such circumstances and yet there is in some quarters a national egotism which has always assumed that our untrained forces could spring overnight to arms which require years to manufacture and in 3 weeks subdue any nation which might challenge us. Now that the house of cards has fallen, partisans and professional sensationalists catering to the disillusioned resentment in these quarters have sedulously emphasized minor deficiencies and overlooked the notable accomplishments of the program until there is a widespread impression that the war is being mismanaged.

Of course, there have been mistakes and, of course, there has been profiteering. There always has been in time of war and always will be. That is inevitable. We are spending the largest sum of money ever available in the history of the world. It is being administered by personnel aggregating hundreds of thousands. It is being dispensed in countless enterprises of gigantic dimensions and in activities which embrace every clime and touch every shore. Would anyone be so unreasonable as to expect 100 percent of accuracy and efficiency under such circumstances? Never before in any period of American history have there been so few errors and such integrity of administration in comparison with the magnitude of the task involved as there have been in the provision of men, money, and munitions for this war.

Mr. MAY. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. I am glad the distinguished chairman of the Appropriations Committee is making the very excellent statement he is making. I believe the question I propose to ask him will lead right into his present position. The public does not seem to understand first that we were confronted with the task of converting a peace-loving nation from peacetime production to wartime production of all kinds of equipment. That is No. 1.

Mr. CANNON of Missouri. And in a very brief space of time.

Mr. MAY. Yes; in a very brief space of time. No. 2 is that this war has spread all over the world. Our supply lines are on an average of eight to ten thousand miles in length. The task is stupendous.

Mr. CANNON of Missouri. And one never before attempted on this gigantic scale by any people.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. VOORHIS of California. I would like to suggest to the gentleman, following up his very excellent remarks, that in the first World War, although the United States sent approximately 3,000,000 men overseas, those men used almost altogether equipment, ammunition, and weapons which were made by other countries, including airplanes, whereas today the United States is called upon to supply not only our own armed forces but those of many other nations she is fighting with. So that our task is of tremendously

greater consequence now than it was then.

Mr. CANNON of Missouri. The gentleman anticipates what I am just about to say and I am glad to have him emphasize it.

It is not a matter of any great concern, at least not of primary concern, that these indictments are being brought against those in charge of the war; but it is a matter of serious concern that the people of the country should be so far misled as to fail to understand the remarkable progress being made in the war program. Let me repeat that no legitimate criticism can be made of the manner in which money, men, and munitions are being provided for the prosecution of the war.

First, as to money, it should be a matter of gratification to every Member of the House and the Congress that we have provided every dollar required or which could be advantageously used.

Congress has provided every dollar required. Let any man rise in his place and point out a single estimate the denial of which has delayed or obstructed the program. There has been determined opposition—especially to the lease-lend appropriations which enabled us to get a 2 years' start in the development of production facilities. But be it said to the credit of all members of the committee on both sides of the aisle—the gentleman from New York [Mr. TABER] and the gentleman from New Jersey [Mr. POWERS] in particular—that the entire committee rallied at all times to the support of these crucial appropriations without which the Nation would today find itself in a tragic state of unpreparedness.

Mr. MOTT. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Oregon.

Mr. MOTT. May I offer this suggestion to the gentleman from Missouri: On the policy of lend-lease, there was, as he has stated, a great deal of controversy. But once that question was decided by a majority vote of the Congress, the gentleman is in error when he says that there was any particular controversy in regard to the appropriations to implement the lend-lease policy. I can remember of no controversy in that regard to speak of on either side of the aisle.

Mr. CANNON of Missouri. Throughout the country the policy was assailed even after it was approved. There was controversy on nearly every lease-lend appropriation that we presented to the House. Invariably amendments were offered to reduce the amounts in a way that would have seriously crippled the policy. But I repeat that the support of these crucial appropriation bills by all members of the Committee on Appropriations on both sides of the aisle, especially as viewed in the light of recent events, evinces the highest quality of statesmanship. Yet in all the flood of malodorous criticism sweeping the country today you find no mention of it.

Let us now consider the effectiveness with which these funds are being expended, first in the production of ordnance. When we went into the World War we were wholly lacking in high-



powered artillery. And in all the 21 months we were in that war, we were never able to get any heavy artillery to the front. We had to depend throughout those 2 years upon the 75-millimeter guns supplied us by the French.

Let us contrast that with the situation today. Today our artillery is second to none in the field. And now in the fourth month of the war, as compared with the twenty-first month of the last war, we are turning out 90-millimeter and 105-millimeter guns at a rate and of a precision and efficiency that is gratifying to every man who is familiar with the situation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. May I observe that even after we came out of the first World War, due to the clamor for peace, we demobilized our Army to the point where we had only about 165,000 men and officers in our Regular Establishment, with no military training, and when we entered upon this program we were confronted with the situation that we had no trained manpower in this country.

Mr. CANNON of Missouri. Today, the rapidity with which we are training personnel and the remarkable efficiency of our program of mobilization, late as it is in getting started, is in marked contrast and is a high tribute to those charged with its administration, not excepting the Members of Congress who made it possible.

Now as to tanks. In World War No. 1, notwithstanding an ambitious program for tank production, not a single American tank reached the front. Today modern tanks of the latest design are rumbling off the assembly lines in widely distributed centers of production by the thousand. While exact figures must be withheld, the War Production Board reports amazing increases in production and the President announces that the goal for tank production has been doubled. Donald Nelson, after witnessing exhaustive tests of both guns and tanks, expressed the opinion that they were the best in the world. That appraisal is more than borne out by the magnificent performance of these tanks in their baptism of fire upon the Libyan Desert.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from North Carolina.

Mr. FOLGER. Mr. Chairman, I feel that this is one of the greatest utterances we have had since I have been in Congress. I was about to ask the gentleman if he would object to my suggesting the absence of a quorum. I think every Member of Congress ought to hear this speech.

Mr. CANNON of Missouri. I thank the gentleman and appreciate his cooperation, but time is of the essence this afternoon, and we have here the men who are to pass on this bill, and that is the essential consideration.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I agree with the gentleman from North Carolina that this is indeed a great address. I only regret that the Nation cannot hear the report the distinguished chairman of the Committee on Appropriations is making.

I hope he will take occasion to take some of this information to the Nation in a Nation-wide broadcast of the facts that are being given here today.

Mr. CANNON of Missouri. The committee appreciates the gentleman's cooperation as we have appreciated his cooperation throughout the session, because he and every other Member of this House have had their indispensable part in this program of production.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman has correctly said that there are many things that we members of the Committee on Appropriations who make these appropriations cannot say as far as numerical statements are concerned, but I wish the gentleman would include in his remarks as he goes along the statement that the amount of fighting planes we are producing today will send the fear of God into the hearts of our enemies.

Mr. CANNON of Missouri. I am glad to comply with the gentleman's suggestion as far as the military situation permits. Notwithstanding the charges that through inexcusable delay and parliamentary quibbling here in the House we are losing the war, as a matter of fact we are making a record in the production of all war equipment, and of planes in particular, that borders on the miraculous.

In the last World War, although we were already engaged in the manufacture of war planes for the Allies when we entered the war, with the exception of a few token machines, practically no American-built planes reached the front. In the twenty-first month of the war we were producing less than 2,000 planes a month, although the planes at that time were mere kites compared with the intricate mechanism which constitutes a plane today.

In the month of January, the second month of this war, in contrast with that record, we were producing vastly in excess of that rate, and production is rising at a rapidly accelerated speed.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from South Carolina.

Mr. HARE. Does not the gentleman, who is now the chairman of the Committee on Appropriations, think that he should advise the House and the public that by reason of his position and by reason of the position of other members of the Committee on Appropriations he has been afforded an opportunity to obtain information from the military experts of the War Department that is not generally given to the country, and it is upon this information that he is today making general authoritative statements?

Mr. CANNON of Missouri. The gentleman himself is a member of this committee, a member who has rendered invaluable service in the development of the war program. As the gentleman has stated, very little of the testimony submitted to our committee could be printed. The hearings which we publish and which are released today are a bare skeleton. All statistical data necessarily have been taken out in order to avoid communication of confidential military information.

Eighty-seven of the 90 General Motors plants, all of the Ford and Chrysler plants, all Packard, Studebaker, Buick, Nash, Hudson, and Willys-Overland are now engaged in war production. Assembly lines have been adapted to mass production, and the number of planes produced borders on the miraculous. At full capacity 3 of the largest companies will be producing two and a half times the dollar value they did in the peak month of 1941. Day and night, from these rapidly moving assembly lines, we are turning out an ever-swelling stream of aircraft destined to win the war.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman knows very well that members of the Appropriations Committee and of the House Military Affairs Committee go down to the War Department every 2 weeks and get inside information and the graphs that are shown there show a gain in percentage of more than 100 percent in at least two-thirds of the items required to be produced as against 6 months ago.

Mr. CANNON of Missouri. As the gentleman has said, it is a very impressive showing. It is to be regretted that every Member of the Congress and every patriotic citizen of the country cannot have an opportunity to really understand the extent of the marvelous production which is being achieved through the efficiency, the hard work, the attention to duty, and the patriotism of officials in charge of the work, including Members of Congress on both sides of the aisle, in both House and Senate, notwithstanding the calumnies daily uttered against us.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arkansas.

Mr. TERRY. I was very much interested in the very heartening statement the gentleman from Missouri [Mr. CANNON] has made in regard to the increase in production of our war munitions as reflected in the confidential communications made to the Appropriations Committee last week by the statistical officer of the War Department. I wish the people of the country generally could read the speech of the gentleman from Missouri, because I feel that the people of our country do not realize how the production program is increasing and gaining from day to day and month to month.

I feel, if they could hear the gentleman's statement, they would not have the jitters to the same extent they now seem to have them in regard to lack of produc-



tion. In this connection, Mr. Chairman, I would like to call the attention of the gentleman from Missouri to a pencil memorandum I found in my files in reference to the plane production of the other major countries of the world, which was given us at the time of the military hearings in the summer of 1937. We were asking the intelligence office of the War Department to give us, in round numbers, the number of planes the other nations had. According to this pencil memorandum, they told us that Great Britain had 5,633 planes, Russia 4,155, Italy 4,162, Germany 3,167, France 2,364, and Japan 2,292. This was in 1937.

Mr. MAY. Five years ago.

Mr. TERRY. When we speak now about 30,000 planes, and 60,000 planes, and 120,000 planes, the objective which we are trying to attain and which we will attain, it makes those figures of 4 or 5 years ago fade into insignificance.

Mr. CANNON of Missouri. I am glad the gentleman has cited comparative statistics on American and foreign production. It may be of interest to note that the latest Japanese budget is one-tenth of our Budget for comparable expenditures, and that from information which we consider accurate, Germany's production of aircraft and ordnance has declined 15 percent. They have dropped to a production of 85 percent of capacity, due to matériel and personnel difficulties, whereas we are accelerating every day the production of war matériel of every character.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Chairman, your illuminating discussion of the productivity of this Nation as compared with other countries, from the standpoint of placing fighting craft in the air, brings to my mind a very interesting observation. I have talked within the last week to General Wong, who for many years has been a leader of the fighting air forces in China. He told me the disturbing news that China, as of today, has only a few hundred fighting planes, whereas Japan, when it entered the conflict against the United States with an attack on Pearl Harbor, had approximately 6,000 fighting planes of all types. He made the further observation that had the Chinese Government possessed a few hundred additional fighting planes during these past few years, they could have more than held their own with the Japanese forces. Twelve to one was too great a ratio to overcome. The Chinese pilots are superior to Jap airmen, and they could have won battle after battle in the skies even though they had but 1 plane against 4 for the enemy.

Mr. CANNON of Missouri. Mr. Chairman, one of our first objectives is to supply our Allies with equipment. That is half the battle, and, fortunately, our early provision of lend-lease facilities is contributing measurably to that end.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. Briefly, if the gentleman will permit, as my time is limited.

Mr. KEAN. With reference to the splendid output the gentleman is speaking of, this would not have been possible, would it, without the splendid cooperation of labor?

Mr. CANNON of Missouri. That is true. It requires the cooperation of every group and every class. Every American citizen has his part in this common cause, and to the extent that any citizen does not attain 100-percent personal efficiency, to that extent we are failing to attain 100-percent national efficiency, and to that extent we are delaying the successful conclusion of the war. We must have 100 percent from industry, from labor, from agriculture, and from every group and individual in America.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arkansas.

Mr. NORRELL. Mr. Chairman, I personally appreciate the splendid address the gentleman is making, and having supported all these appropriation bills and other bills for our defense program, and believing that we are making splendid progress, and at the same time realizing there is a disturbing condition in the country which has been created by some effort, I wonder if the gentleman can tell us how they have given out the idea that our defense program is not moving along as it should.

Mr. CANNON of Missouri. It is very simple. Undue emphasis is being placed on comparatively insignificant details, and no attention given of the magnificent progress that we are making in every line of war endeavor.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. Is not the misinterpretation of the situation in the country by the people due very largely to the fact that this country has always lived upon the idea that we have never lost a war, and that we will not lose this war, and in the face of the fact we have been losing all of the battles so far, it has a tendency to create in the minds of the people a sort of hysteria which brings about the very thing with its flood of letters and telegrams?

Mr. CANNON of Missouri. It is disillusioning to the average citizen who has been taught American omnipotence from the kindergarten up, to wake up to the realization that we cannot go out and lick the world in a couple of days. There are those who have capitalized that disillusioned resentment by fostering an impression of general failure and inefficiency not justified by the facts. All we have to do is to let the people know what is actually being done.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. Yes.

Mr. RANDOLPH. I join the gentleman from Missouri in giving deserved tribute to loyal labor, and to responsible unionism in this country. We have found these conditions in the aircraft industry and in other defense factories. I do feel, however, that we cannot escape the factual history of our aircraft pro-

duction in this country during recent months. Although we want to look forward to a stepped-up industry, yet we must realize and recognize that at one time within the past year, one-fifth of our aircraft production was at a standstill, because of disastrous strikes. We must face that responsibility as Members of this body. Shame on those persons in management and labor who failed to cooperate for necessary production in our hour of need.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague from Missouri.

Mr. NELSON. And may I just say that in my opinion this is one of the most heartening and helpful addresses that I have heard in this House. Reference has been made to the necessity for material, and I believe my colleague will agree with me that what we need today is to conserve all of our scrap for the use of our men on the fighting front, and to direct all of our scrapping against the common foe.

Mr. CANNON of Missouri. No better advice could be offered at this time. I trust the country will take it to heart.

Mr. Chairman, we are told that shipping is one of the bottlenecks, that it is useless to produce materials unless we can deliver them. I am happy to say that in the construction of ships we are more than keeping pace with the program. The merchant-ship tonnage program calls for the production of 8,000,000 deadweight tons in calendar 1942, and a minimum of 10,000,000 deadweight tons in calendar 1943, and I hope we can exceed that. The Navy is far ahead of its schedule in the construction of destroyers and all fighting craft, and materially in advance of the program laid down at the beginning of the war. The Maritime Commission is extending its program for the production of all cargo ships, and especially of oil tankers.

In every line of endeavor we are producing proficiently and expeditiously the mechanism of war and simultaneously we are training the men who are to use it. Contrast the mobilization in the Spanish-American War, when we assembled a comparatively small number of men, and the huge hospital list of recruits in our home camps and the failure to provide fundamental necessities, with that of today, when we are nearing our objective of an army of 3,600,000 men in this calendar year, drawing young men suddenly from civil life and bringing them into new surroundings and strange conditions. There has not been one single justified criticism as to the ration, as to the clothing, as to the housing, or as to the training of this vast army of men so unexpectedly brought under arms. The mobilization of this great number of men, under difficult conditions, is proceeding with a smoothness and with a rapidity that is gratifying to every patriotic citizen.

Mr. NORRELL. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arkansas.



Mr. NORRELL. I would like to pay tribute to General Somervell, who is an Arkansas man, who has charge of the distribution.

Mr. CANNON of Missouri. I certainly join in the gentleman's commendation of General Somervell. In his line and station he is doing as great a work as General MacArthur in his line.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I appreciate the information the gentleman has brought to the House. He was speaking of the number of men who have been brought into training and under arms. Would the gentleman be divulging a military secret that he ought not to divulge if I should inquire the number of men that we now have in training in the various armed forces of the country, the Army, the Navy, and the Air Corps?

Mr. CANNON of Missouri. About 2,000,000 men.

Mr. ROBSION of Kentucky. Does the gentleman feel we will reach our objective of 3,600,000 in training in the Army during the present year?

Mr. CANNON of Missouri. The program is proceeding on schedule, and will be completed this calendar year.

Mr. ROBSION of Kentucky. The President a few months ago laid out in the Budget estimates a very ambitious and splendid program as to the number of planes, tanks, bombers, and so forth, that he had in mind to produce. Are we moving along so that we can reasonably hope that that schedule will be reached?

Mr. CANNON of Missouri. We are not only moving along according to schedule but we are raising our sights. The President has just announced that he has increased his program by doubling the number of tanks which we expect to produce in a stated length of time. We are increasing the magnitude of our program, and every day we are making material progress toward its realization.

Mr. ROBSION of Kentucky. The country is tremendously interested in our program for planes and bombers. Is that moving along satisfactorily?

Mr. CANNON of Missouri. The statistics, if they could be made public, would satisfy anyone who has any doubt whatsoever as to the progress being made in the production of all types of aircraft.

Now, notwithstanding this magnificent record of unbroken success and progress, there is a spirit of criticism abroad in the land which is expressed by a letter I have received and which I will read. I am glad to say it is not from my district, and not from my State. It illustrates a state of mind found in the country, due entirely, I think, to misinformation. Here it is:

DEAR SIR: We are getting a little tired of the shallow thinking and boondoggling inaction of some of you "saps" in Congress. Politics is controlling the Army and Navy. Selfish groups are sabotaging industry. Production is bogging down. In short, you are losing the war.

We are paying out taxes, registering for defense duties, sending our boys to camp, and doing it cheerfully, but we would like to

feel that we have leadership in Congress from honest men and not a bunch of cheap petty grafters who are taking advantage of the times to feather their own nests and dissipate the Nation's resources.

In answer to an all-too-prevalent frame of mind, of which this letter is an expression, I want to call attention to incontrovertible evidence of the integrity and self-abnegation of Members of Congress.

For more than 150 years congressional salaries have been exempt from State taxation. They would have remained so indefinitely had not Congress, of its own motion, without pressure from any source, voluntarily rescinded that exemption and subjected every Member of this House to taxation by his State.

Every Member of this House paid a vastly increased tax this year when he paid his State income tax, and it was done voluntarily. Yet, in face of that indubitable fact they charge that Members of Congress want to feather their own nests at the expense of the country.

Let me call your attention to another instance just as conclusive. Since the establishment of this Government, at every census period, in order to prevent any State from losing representation and to save any Member of the House from having to run at large, Congress fixed the apportionment at a point where no State would lose Representatives. That has been going on ever since the establishment of the Government. There has only been one instance—in 1840—where they failed to increase the size of the House. We have at the present time only 435 Members in the House, whereas the British House of Commons, representing a much smaller constituency, has over 600 members. We could have gone along as usual amply justified in increasing the membership in order to protect the Members from expense and inconvenience at loss of seat.

The decision to reduce the membership and to increase the apportionment means financial loss and inconvenience to every Member and yet the vote on the change was practically unanimous. Oh, they say a Member will stoop to any venality; will sacrifice any principle in order to hold his seat in Congress. Why, this Congress patriotically, of its own volition, refused for the first time in a hundred years to increase the membership; and still we are charged with a desire to profit at public expense.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Tennessee.

Mr. PRIEST. I appreciate very much the fine address the gentleman is making. I think it is something that should have been said by many of us perhaps before now. With reference to State taxes paid by Members of Congress, I think it has been the gentleman's experience, as it has been mine, that the people back home frequently think that Members of Congress are exempt from paying the Federal income tax. I think it should appear in the gentleman's remarks at this point that we also pay the Federal income tax.

Mr. CANNON of Missouri. And the amount of the Federal income tax paid

by Members of Congress is considerably more than that paid by the average person with like income. Not only do we pay the income tax but we are allowed less exemption than any other citizen of the United States. Others are allowed to deduct legitimate expenses, but a Member of Congress cannot deduct the legitimate expenses of his service or his election.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania, Commander VAN ZANDT.

Mr. VAN ZANDT. Is it not true that members of State legislatures are permitted to deduct for income tax purposes the cost of living in the capital city of their State whereas we Members of Congress are not accorded the same privilege in regard to the cost of living in Washington.

Mr. CANNON of Missouri. That is true. Members of Congress have constantly denied themselves special privilege, and especially in connection with financial gain.

Then, when the legislative appropriation bill came up, the bill that pays our household expenses for the legislative establishment, we voluntarily and with no suggestion from the executive branch reduced the amount by \$2,000,000, as against comparable amounts of the current year. We are not only economical with everybody else but we have been especially economical with ourselves.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. I am afraid the gentleman's remarks that we reduced household expenses may be subject to misinterpretation by uninformed people. The gentleman has reference to the expenses of the legislative branch, not our own personal households.

Mr. CANNON of Missouri. I am glad the gentleman differentiates. There is a widespread belief that Members of Congress charge many items to the Public Treasury. We are supposed to get free service in the barber shops, free service in the restaurants, and many other emoluments, when, as a matter of fact, we pay for this service in full and at current rates.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The gentleman is appropriately discussing the subject of membership responsibility in this House. There are mistaken ideas which are prevalent in our districts as to certain expenses the Government pays for us. I find in my district a great many persons believe that Members of Congress can take the phone and call back to their constituents 200 miles away, or 2,000 miles away, and that the toll charges are paid for by the Federal Government. Every such call that goes beyond the confines of the Nation's Capital is paid for by the Member himself, even though such call be on strictly governmental business.

I do not wish to make an unfair comparison, but I do feel that it is appro-



prate and important to state that thousands of appointive officers of the Government here in Washington and back in our districts freely use the phone in transaction of Federal business.

Mr. CANNON of Missouri. The point is well raised by the gentleman. You may call up anybody over long distance, but at the end of the month it will be on your bill and there will not only be the charge for the telephone call but you will pay in addition the Government tax on the call. As a further evidence of the economical attitude of Congress, I call attention to the retrenchment in nondefense expenditures effected in this session.

You would think from reading some of the mail that Members of Congress take delight in spending money on the least provocation or on no provocation at all when, as a matter of fact, we have decreased this year a number of these funds.

The reductions in 1942 nondefense appropriations on the basis of the regular annual bills as passed by the House so far this session, including the Interior bill as reported to the House, is approximately \$600,000,000. In addition the sums to be advanced by the R. F. C. for loans for F. S. A., R. E. A., and Farm Tenancy are decreased by \$165,000,000.

On the basis of the reductions submitted by the President in the 1943 Budget, which have not yet been considered by Congress, the decrease on nondefense appropriations (exclusive of statutory public debt and retirement fund requirements) will exceed \$1,250,000,000.

The House at this session, on all appropriation bills (defense and nondefense), including the Interior bill and the Sixth Supplemental National Defense as reported, has reduced the Budget estimates by approximately \$500,000,000. In addition to this sum there has been effected a decrease of \$20,000,000 in the amount of the Budget estimates for funds to be advanced by the R. F. C. for loans.

In this connection, I want to read a paragraph from one of the many syndicated columns which go out every week, in which this statement is made:

For a manifestation of the wholesome effect of this beat-some-sense-into-your-Congressmen campaign had, you need look no further than the Record of the House of Representatives in considering the Department of Agriculture appropriation bill.

Here is a complete misrepresentation of the action of the House on the bill. The reason for the cuts in this bill have been persistently ignored and overlooked or misrepresented in every report that has gone out from Washington. The fact is that the cuts made in the agricultural appropriation bill were made on the recommendation and demand of the agricultural organizations themselves. There was not a single cut in that huge bill that was not recommended and insisted upon by the Farm Bureau and other farm organizations. And on the other hand, there was not an item in that bill which they recommended be kept there that was not kept there in toto. That retrenchment was not in response to any beat-

some-sense-into-your-Congressman campaign. It was done because the farmers of this country, with highest patriotism announced to us that they were satisfied with bare parity, and insisted upon the cutting of nonessential items in the bill.

And last, because my time is about to expire, let me call attention to the fact that the irregularities, errors of judgment, and instances of profiteering featured in the charges against Congress have without exception been uncovered by Congress itself acting through its committees of investigation. Instances of this character are unavoidable but Congress itself is taking every precaution to bring them to light and punish and eliminate them.

We are confronted by a prodigious job. It is everybody's job. We must have the cooperation of all to win. But let us take heart. The way is long and dark but it leads to victory—to enduring peace—the greatest heritage we can leave to those yet to come.

The bill before us falls into three categories, and is submitted in three titles, one making provision for the Army, one for the Navy, and the other for general appropriations.

Under the naval title little may be said publicly. The total is \$825,924,000, including \$125,000,000 of contractual authority, the latter all being for ordnance purposes. Of the direct appropriations, the bulk of the money falls under the ordnance and aviation heads. Ordnance comprises many different projects, all of a material nature. The larger part of the aviation money falls under two projects, namely, radio equipment and the expansion of production facilities.

The military portion of the bill is explained in such detail as circumstances warrant, commencing on page 5 of the report.

The estimates amount to \$17,579,311,253.

The need may be said to be responsive to five major factors, namely, personnel, aviation, maintenance and operation, storage and shipping facilities, defense aid.

The build-up has already begun of the enlisted strength. The present objective is roundly 3,600,000 men by the end of the calendar year. That is about double the present number. By July it is hoped to have half of the increase in the service. That means additional amounts for pay, subsistence, transportation, and training to the end of the fiscal year, and it means provision to have housing available for the whole number as and when they enter the service. The cost for all is approximately \$2,050,000,000.

You will recall that we provided for outfitting and implementing the larger force just a few weeks ago in the fifth supplemental defense bill.

On the aviation side, the estimates call for the second increment of planes looking to a peak production rate of 125,000 airplanes during the calendar year 1943. We provided for the first increment of 33,000 airplanes in the fourth supplemental defense bill. The next and final increment will come along in the regular 1943 bill.

This growing aviation program means a large organization expansion, additional ground facilities, more pilots, and hence more training facilities, and more mechanics and radiomen. It is a tremendous program. It means an outlay of around \$10,670,000,000. The airplane part is \$6,990,000,000.

For maintenance and operation incident to actual war participation and otherwise, including a number of miscellaneous projects, the allocation is approximately \$2,050,000,000.

For storage and shipping facilities, and both are becoming increasingly difficult problems, the estimates call for \$450,000,000.

Lastly, for Defense Aid, the allocation is \$2,220,000,000. Seventeen billion two hundred and fifty million dollars has been made available heretofore for the transfer of defense articles, information, and services chargeable against War Department appropriations.

You will note on page 5 of the report that we have gone along with the estimates, insofar as money is concerned, in all but 4 instances. On page 5 we list the changes, and, commencing on page 7, we state the reasons. I shall not dwell upon them. I might tell you, though, that the Army Specialist Corps is a new venture. It has not been authorized by law. The President has sanctioned its creation, but it needs funds in order to function. It was described to us as a corps of civilian specialists, from artisans and nontechnical specialists to scientists and professional men, who would serve at home and abroad in special fields as civilians. They would be provided with a distinctive uniform, or, at least, required to wear one. It would be a quasi-military group. The number might ultimately reach 150,000. The pay would range from \$2,300 to \$8,000.

We have eliminated provision for this corps. In the first place, we do not have jurisdiction. In the second place, the idea of a quasi-military outfit did not have much appeal. If they need such character of service, we felt that they should get it either by taking men possessing the qualifications required into the Army in the manner provided by law or by employing such persons as civilians, by contract or otherwise.

The truth is, this sort of a proposition should have been presented to the military legislative committee.

That covers, I should say, the salient features of the War Department title.

I should like to stress this point, Mr. Chairman. We had rather exhaustive testimony on and off the record. That part on the record has been painstakingly edited. Practically all of the meat is gone. We have a bare skeleton left. So, we must be careful about using publicly facts and figures which we may think are in the record, but which, for military reasons, the Department's agents have removed.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is now just a little over 3 weeks since the Appropriations Committee has had pending a bill for the appropriating of funds for national defense. That is a little longer than the



usual period—perhaps it is a little longer than we can expect in days to come—because the United States is engaged in a struggle, the like of which we have never known, and I hope we will never know again—a struggle for our very existence.

I appreciate the things that the chairman of the Appropriations Committee has said about me and about the gentleman from New Jersey [Mr. POWERS]. May I say that the gentleman from Missouri and many of those who have assisted him on his own side of the aisle have stood for all needed appropriations for national defense all along. There has been no partisanship in that matter; there has been nothing but a sincere feeling on the part of all of us that we must do those things which would protect the United States of America, and this we have felt impelled to do many times, regardless of what the political repercussions might be.

Before Pearl Harbor, however, there were three or four groups in this country: There were those who wanted to amend the Neutrality Act; there were those who wanted to pass the Lease-Lend Act and say to our people that those things would keep us out of war; there were those who felt that the passing of those two types of bills were bound to get us into war and that we should not tell the people something that we did not believe ourselves; there were those, on the other hand, who felt that it was possible to keep the country out of this war. Frankly, I belonged to that second group. I did not feel that it was possible to keep this country out of the war. I knew that the passage of those bills would not keep us out, and I never told my people that I thought we could be kept out of the war, because I did not believe it myself. I blame nobody for our being in. It took some people back home a little while to get out of their heads the idea that we were going to be kept out of the war, but now I think the whole United States is aroused to the necessity of prosecuting this war to the utmost.

I do think that there is a feeling on the part of a very large number of people that there should be better cooperation on the part of those in authority—on the part of the President of the United States himself—with the defense program. There are many people who feel that the retention of Madam Perkins in the office of Secretary of Labor is against the interests of national defense, and these people include members of the labor unions, as well as others. There are many who believe that some of the operations of the N. L. R. B. and the wage-hour outfit are against the interests of national defense. There are many people who believe that the tribute that is levied upon those who work in defense plants and on Government work, where they are obliged to pay a tribute of from \$75 to \$1,000 in many cases for the privilege of joining a union before they are permitted to work, is against the interests of national defense.

I am going to recite an instance that, to my mind, is absolutely against the

interest of national defense, an instance that is typical of many of those that exist throughout the country, one of those that, to my mind, must absolutely be corrected.

A week ago Monday the Navy Department desired to ship from a place in Rhode Island to one of the embarkation points along the coast a very considerable distance, calling for travel through New York City, some very heavy things. There was a strike on that prevented the obtaining of a truck to handle the material. The Government finally commandeered a truck and loaded it with all this material to carry down to the embarkation point. They put a man on to drive, and accompanied him with uniformed men of the Marine Corps.

These men got down to the borders of New York City, and the union there would not let them pass through the city. They were obliged to unload that truck and put the material on another one before they were permitted to go on. As a result, hours and hours of the men of the Navy were lost, and it was with the utmost difficulty that this material was delivered to the port of embarkation on time.

If those who represent labor unions think they are helping to clear up this situation and promote national unity by the promotion of such performances and such operations, it is time they wake up and begin to realize that the people of America want cooperation with the national defense program. Our production is better than it was; yes, but I wish that that production were double what it is today. I wish we could have the cooperation of industry and labor wholeheartedly and devotedly. The members of many committees of the Congress have been working for months and months many hours beyond what might normally be expected to be spent. I wish this spirit could permeate the whole of America and that we could rise to the point where we were supplying every tank and every plane and every ship that is needed for the prosecution of this war.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 5 additional minutes.

I hope the President of the United States, this Congress, and those in authority will cooperate to get that situation in shape, so that we shall not have to hang our heads.

Regardless of how well we are going, regardless of what we are doing, we are confronted with the announcement of Prime Minister Churchill the day before yesterday that the battle of the Atlantic is not going as good as it ought to. What does this mean? It means that we must spur every bit of effort that is going on, we must drive it to the point where it is producing results and America is able to win the ultimate victory.

I am not going to spend much time on this bill. The deficiency committee, with reference to the deficiency items in the bill, has brought in here cuts that in almost every instance are deep enough to satisfy me, and that is going awfully strong. I have no excuse for coming out here and offering amendments to cut

down these items. The committee did a good job on the bill.

As to the military and naval items, it was found necessary to cut out some of the recommendations for things that are not needed for national defense, like moving-picture cameras to put on shows for the civilian population. The civilian population does not need to have frills and extras to keep up their morale. They will do that by themselves. The committee was unanimous in cutting out such items.

With reference to the Army, it was estimating what we thought to be too large a figure on some of the post construction. We had estimates from the Coast Guard for about \$1,000 a man on some of this post construction, and from the Army for \$1,250 at the same time, and we thought there was a little inconsistency there. As a result, we made some trimmings on things of that kind, which I do not believe will hurt the Army but will improve their operations and construction.

No items have been cut that in my opinion militate against the successful development and prosecution of the war.

God knows there will be waste, there will be terrible waste in this thing; there will be waste, no matter what anybody does. There is no way to stop it. The figures are absolutely staggering, but what we are up against in the world is absolutely staggering.

The situation confronting America today is the most desperate in her history. We have to go down the line; we have to supply what is needed. I, for my part, propose to continue, as I have in the past, to supply the sinews of war for the boys who are fighting our battles, to see that they are not left to go into battle without the very best we are able to give them.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman from Georgia [Mr. PETERSON] such time as he may desire.

(Mr. PETERSON of Georgia asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. PETERSON of Georgia. Mr. Chairman, when the war powers bill was being considered by this body a few days ago an amendment to that measure was offered by the gentleman from Virginia [Mr. SMITH], the effect of which was to modify the 40-hour provision of the labor laws for the duration of the present emergency so as to permit an employee to work over 40 hours a week, if he desired to do so, without charging any more per hour for the time he works above 40 hours than he charges for his services per hour under 40 hours.

As the law now stands, no laborer can do this without violating the law and making himself subject to the penalties provided for such violation of the law.

I was dumfounded when only 62 Members of this body voted for this amendment.

I am surprised that our President does not favor it.

At the time I stated that this vote of the majority in defeating this amendment did not reflect the sentiment of the majority of American labor or the senti-



ment of the overwhelming majority of the American people. I am even stronger now in that conviction.

The issue involved in this proposal is clear and elementary. And before we go any further with our war activities it should be definitely determined as to the course Congress, the President, and our country are going to adopt on this issue for the duration of the emergency.

This should be done in justice to our boys whom we, Congress and the President, are forcing, through compulsory military conscription laws, to fight and die on far-flung battlefields scattered throughout the four corners of the earth. It should be done in justice to the mothers and fathers, from whom we, Congress and the President, have not asked but demanded, through stern Federal compulsory military conscription laws, the gift of their most precious possessions, the crown jewels of their homes, their young sons, even before they have tasted the sweet fruits of mature manhood, to give their lives not for 40 hours a week but for every hour of every day of every year so long as the war lasts. To many thousands this demand will mean broken bodies and crippled limbs for the remainder of their lives. To many thousands more this demand will mean their lives not for the duration only but for eternity. To these the fruits of the war will mean nothing. The Members of this Congress and the President will have demanded that they die in order that we may live.

These boys are dying and fighting and serving because the majority of the Members of this body have by Federal compulsory military conscription laws, adopted by us, demanded that they die and fight and serve. A large portion of these boys could not even vote. They were not organized. They were innocent of the pressure practices of politics. Most of them are not old enough to even have any mature idea of the meaning of our complex form of government or the underlying economic issues which have brought on this dreadful war. And it is a dreadful war primarily because these boys are being killed and wounded.

If these boys had been as strongly organized as the C. I. O. or the A. F. of L. and if they had a John L. Lewis and a William Green as well as millions of dollars at their command and could have defended themselves against compulsory military service legislation as forcefully as organized labor is defending itself against modification of the 40-hour week and the other special privileges and benefits it is now enjoying during this grave period of national emergency I wonder how many of us would have voted for the Compulsory Military Service Act. I am wondering also what the attitude of the President of the United States would have been toward this legislation.

We likewise adopted the 40-hour law making it a crime for a man to work for more than 40 hours a week without receiving special compensation for such additional service. And the President approved it. We passed this law in order to help give jobs and comfort to American laborers and American families. We passed it to relieve unemployment, because there were more laborers than

there were jobs. We passed it to remedy an economic condition that does not now exist and at a time when there was no great national emergency or grave threat to the very life of our Nation.

Now we are demanding of our American boys that they give their lives in military service. At the same time we are refusing to even permit, much less demand, American laborers to voluntarily give up any of the special privileges and benefits which we gave them in time of their need even though the necessity for such special privileges does not now exist. And from newspaper reports the President of the United States, who with us has decreed that our boys must if needs be die for their country, seems to strongly oppose any legislation which would merely permit laborers to voluntarily work for their country.

Mr. Chairman, how can Congress and the President justify before man and God this attitude?

I know that the arguments about profits of capital and huge salaries and private greed enter into the picture, but they are in this instance largely weapons of selfish groups to becloud the real issue.

Congress and the President did not bring forth these arguments when we ordained through compulsory military service that our boys fight and die. And certainly the life of a young boy is as dear and as sacred to him as the 40-hour week is to the man laboring in industry.

Profit, greed, and avarice have always existed. They always will. There is plenty of time to pass laws dealing with these matters and I understand that the Naval Affairs Committee of the House is now holding hearings on legislation that does deal with these problems. I hope the Naval Affairs Committee will give us a bill that will remedy these undesirable conditions and include in their bill modification of the 40-hour-labor law for the period of the emergency.

The real issue, as I have stated, is plain and elementary.

Shall Congress and the President of the United States continue to demand compulsory military service of the youth of this country and at the same time continue to make it a crime for a man not in military service to voluntarily labor for over 40 hours per week without receiving special favors and benefits at the hands of the Government?

The membership of this body know what we should do. The truth is that we know our duty but it seems that some of us are afraid to do our duty. We know this law should be modified.

Suppose that the majority of our boys in the armed forces displayed the same degree of fear in meeting the enemy as we are displaying in meeting this issue?

Is our war effort a puny effort of cowardice? If so can we expect any more of the American boys who are fighting our battles?

This issue has been clearly presented in legislation now pending before the Judiciary Committee of this House of which the distinguished gentleman from Texas [Mr. SUMNERS], who is also an outstanding American citizen, is chairman. It is simple legislation and can be easily and speedily acted upon by that commit-

tee and brought before this body. This should be done without delay. And every Member of this body should have courage to go on record on this issue. Let your constituency know how you stand. Let the American people know how you stand. And let the boys who you voted to conscript and who even now are dying on battlefields in foreign lands because of your vote know how you stand. The American people are demanding action and we should act without delay.

Mr. CANNON of Missouri. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, the final outcome of this war hinges upon our ability to produce and deliver to our fighting forces with the utmost speed and in enormous quantities implements, machines, and munitions of war. The duty to produce and deliver such equipment rests upon all of us and is one in the performance of which industry and labor share equal responsibility. To attain this goal without sacrifices on the part of every man and woman in this country is impossible. The job to be done is a monumental one, involving the creation of something like \$150,000,000,000 of matériel, and one which must be completed during the next 18 months. Both war production and the supply of civilian necessities must be maintained. They add up to a volume of industrial production that has never before been approached.

To achieve this objective is more than a problem of creative technology; it is a matter of achieving unprecedented productivity with the men and machines we have on hand—

According to a recent study in the March 1942 issue of Fortune magazine.

The present program for war industry calls for production of something like \$65,000,000,000 of matériel during the 18 months between January 1942 and July 1943. Translating this into man-hours, according to the common formula of \$1 of production for each man-hour of work, this means United States industrial labor will be required to supply in this period 65,000,000,000 man-hours of work for the war effort. Making a very liberal estimate of all industrial labor now available, both in and out of jobs, we have 20,000,000 workers. If these were all to work 50 hours a week, 50 weeks a year, they could work only 75,000,000,000 man-hours in 18 months, which is only 10,000,000,000 in excess of the theoretical war-industry requirement, without taking care of any civilian industrial necessities. Actually, our labor force could not work that much in war industry for the period as a whole, because the change-over to new jobs now in progress is necessarily a slow and gradual job. To meet the war program, plus supplying civilian needs at the lowest level of the last depression, we must increase our industrial productivity by at least 50 percent. That is, we must achieve a man-hour that turns out \$1.50 in goods instead of our present \$1 man-hour.

In other words, with 20,000,000 men working, our production must be one and one-half times as great as it is in normal times. That is impossible under the 40-hour workweek; it is equally impossible under a much longer week if strikes are allowed to continue. The House of Representatives passed the antistrike bill early in December 1941 and sent it to the



Senate, where it still remains. I wish that body would act on it, for now, more than ever before, we need and must have definite assurance that there will and can be no more delays in the production of articles and implements of war.

A few days ago some of us undertook to amend the 40-hour-week laws so as to suspend their operation in war industries during this critical time of national danger. Basic wage rates for normal working time were not involved in the amendment—only hours, days, and weeks, and the amendment applied simply to defense industries. When the vote was announced, however, we were able to secure only 62 votes in favor of this proposal, while the opposition received 226. All of us know the situation confronting the American people; we know that it is utterly impossible for us to secure the needed production unless men work longer hours. Naturally, I am disappointed that our proposal to permit the increase of man-hours so absolutely essential to secure such production failed of enactment. My only son is a corporal in the United States Army, drawing a salary of \$21 a month; my only son-in-law is likewise in the Army. Each of them, like the sons of countless thousands of our citizens, will be expected to work unlimited periods of time and they will gladly do so—without complaint and without thought of normal working weeks. It seems to me that men engaged in the production of weapons and munitions of war, a job of equal importance with the work done by our armed forces, should not be unwilling—and I cannot believe they are—also, to make sacrifices by working longer periods than 40 hours a week, especially since they are well paid for their labor and do not have to face the dangers and horrors of battle.

Basically, the 40-hour-week laws were passed so as to divide and distribute work in a time of economic depression, to make it possible for normal production to be done by a greater number of workers. The need for that is past. There is more work now than can be done, and for our success each individual worker is obliged to produce more than heretofore. Of course, men are not expected to work 24 hours per day each day in the week. The impossible is not asked; nor are factory workers asked to work so long as to endanger their health or reduce their efficiency. Continuous production each day in the week for an unreasonable number of hours each day would put foremen, supervisors, and workers under a dangerous strain. We cannot, however, falter in our duty to make the maximum use of each hour in each day for as many hours and days as yield advantageous and profitable productivity.

I am confident that every worker would be more than willing to work longer hours and to make every necessary sacrifice if he knew that victory depended upon greater efforts by him. The difficulties lie in the necessity for management to pay overtime after the 40 hours maximum have been worked each week. Labor can, if it wishes, hold out for better pay and larger pay envelopes; it can strike or slacken work, but it must not forget that fatter pay envelopes and

slackened work will eventually yield poor returns. With the cost of labor high, the cost of fabricated articles will increase. With consumer goods scarce, prices will be pushed still higher. Standards of living necessarily will be reduced and in the end workers will not have been the gainers.

I was talking this week to a very dear friend—a friend I have known since his childhood; a flyer who, along with his brother, another flyer, has indelibly written his name in the history of aviation; they are extraordinary men, humble, brave, glorious—who has been fighting in a flying fortress nearly 50 hours a week almost from the beginning of this war, in Java, Bali, Celebes, the Straits of Macassar, and other Pacific waters. The first thing that this man said to me was, "Please send us more planes." He was not complaining of long hours nor of danger; all he wanted was the tools with which to work, tools that must be supplied by industrial workers in quantities sufficient to enable him and his brothers in arms to fight their best for us upon the field of battle. I assured him I would do my best to grant his wish, and I shall do my best. But we must not fool ourselves; we cannot secure maximum production until the workers in the factory give longer hours to the fabrication of the weapons that are needed. I am not against labor. I have always been the friend of labor, and I am still the friend of labor; I want every man who works to secure a good wage, and I want him to work under good conditions, but I do believe that in times like these all of us should make every possible effort to bring into existence and deliver the ships, the weapons, the munitions, and the host of other articles that our boys in the field so sorely need in their fight to protect and preserve this Nation.

I believe, first, that every man within given age limits should be treated exactly alike, the well circumstanced, the married, and the unmarried; of course, a man in an industry necessary to war production or to the support of the war effort should not be molested; and second, that no one should be deferred from armed service unless his occupation is one that is essential to war production, and there is no one to take his place on the production line. We have had several Members of Congress between the ages of 30 and 40 years who have relinquished the high position they occupied to take their places in the armed forces of the country, because they felt that men of their ages were needed there.

Hon. FRANCES E. WALTER, of Pennsylvania.

Hon. EUGENE WORLEY, of Texas.

Hon. WARREN G. MAGNUSON, of Washington.

Hon. ALBERT VREELAND, of New Jersey.

Hon. FRANK C. OSMERS, of New Jersey.

Hon. LYNDON B. JOHNSON, of Texas.

A grateful people will always honor them.

We cannot win this war, and work, and live, and carry on our lives as usual. Self-sacrifice is necessary, and labor and industry alike must make it. Our boys in Ireland, Australia, the Philippines, and elsewhere, who are fighting and dy-

ing for this Nation, are depending upon us at home to give and deliver them the weapons, the munitions, and the equipment necessary for them to carry on. They are not bemoaning their fate nor bewailing the fact they are on the firing line, facing guns and superior forces of the enemy; they are not worrying about their standards of living; they do not strike; they are humbly, bravely making the sacrifices of the soldier. It certainly does not help their morale to know that there are those who are holding up production for bigger and more fabulous profits, and others striking for higher wages or protesting against an increase in working hours. It is high time that both labor and business give up some of their gains.

Congress too, must do its share. Our Constitution imposes upon Congress the responsibility of providing an army and a navy, and armies and navies that are not effective are worthless. Now of all times, Congress should have its own corps of independent experts to acquaint it fully with our military and naval necessities. Public opinion should force both House and Senate to provide themselves continuously with learned and capable men in the fields of science, industry, and military affairs to advise them upon questions of weapons, technique, and policy. Congress should know the military and naval weapons that should be produced in quantity and supplied to our sons in the field of action and do its part in seeing that they are produced and delivered.

We are at war—the greatest war of all time—a war of such scope and such proportions that no man can comprehend fully its final implications; a World War to which our War between the States and World War No. 1 were mere preliminary skirmishes paving the way for this limitless conflict—a war that will take the whole time and effort of every citizen to win—a war which I fear will be fraught with many discouraging reverses on many fronts before we shall be able to bring our full industrial might to bear and crush those powers who have challenged the right of democratic peoples to live their own lives in their own way.

Victory with no unavoidable delay is what we should strive for, strive to the utmost, because I know you fear, as I do, not that we shall not be victorious, but that if this war continues many years our victory may be a hollow one with little left to salvage; with nothing much on earth but human misery and chaos. Our battle front is both at home and abroad; in every factory, in every office, in every home there is work to be done, sacrifices to be made by all of us. I am sure that the American people will rise to the occasion, cheerfully, courageously, wholeheartedly, that as surely as our brave men now fighting for us in the air, on the ground, and on and under the seas will eventually triumph on the battle lines, so we too shall fight and win the battle of the production lines.

Mr. DITTER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his own remarks in the RECORD.)



Mr. WIGGLESWORTH. Mr. Chairman, this bill carries a total of \$18,302,000,000, of which \$145,000,000 is in contract authorizations. It compares with Budget estimates of \$18,537,000,000, of which \$150,000,000 is in contract authorizations, or a reduction over-all, as compared with Budget estimates, of about \$236,000,000.

Of the total, about \$17,376,000,000 is for the Army, about \$821,000,000 for the Navy, and about \$105,000,000 for other agencies.

This is the fourteenth appropriation bill to be considered by this House since December 4 last, those bills aggregating, including the present one, about \$93,571,000,000.

The bill forms part of the picture which you will find on page 4 of the committee report. The table on that page indicates that for the 3 fiscal years commencing July 1, 1940, as of March 23, 1942,

*Appropriations, contract authorizations, and recommendations for national defense fiscal years 1941, 1942, and 1943 (as of Mar. 23, 1942)*

	Army	Navy (including Coast Guard)	Other agencies (including Lend-Lease)	Total
<b>Fiscal year 1941:</b>				
Appropriations enacted.....	\$8,483,708,958	\$3,629,233,790	\$8,338,531,908	\$20,451,474,656
Contract authorizations enacted.....	5,006,589,651	871,769,817	389,000,000	6,267,359,468
Subtotal.....	13,490,298,609	4,501,003,607	8,727,531,908	26,718,834,124
Deduct appropriations included above to liquidate contract authorizations <sup>1</sup> .....	352,093,444	86,647,100	221,500,000	660,240,544
Net total 1941.....	13,138,205,165	4,414,356,507	8,506,031,908	26,058,593,580
<b>Fiscal year 1942:</b>				
Appropriations enacted.....	58,033,709,528	16,726,202,466	16,360,557,082	91,120,469,076
Contract authorizations enacted.....	183,145,695	687,818,894	3,791,000,000	4,661,964,589
Supplemental items:				
Appropriations.....	17,579,311,253	700,674,600	36,185,457	18,316,470,710
Contract authorizations.....		25,000,000	25,400,000	50,400,000
Subtotal.....	75,796,166,476	18,139,995,960	20,213,142,539	114,149,304,975
Deduct appropriations included above to liquidate contract authorizations <sup>2</sup> .....	4,276,580,695	615,453,690	354,111,226	5,246,145,611
Net total 1942.....	71,519,585,781	17,524,541,670	19,859,031,313	108,903,158,764
<b>Fiscal year 1943:</b>				
Appropriations recommended in 1943 Budget.....	<sup>3</sup> 5,468,091,747	<sup>4</sup> 14,047,891,674	<sup>5</sup> 1,323,161,955	20,839,145,376
Contract authorizations recommended in 1943 Budget.....		<sup>4</sup> 500,000,000	90,000,000	590,000,000
Supplemental items: Appropriations.....			2,913,417	2,913,417
Subtotal.....	5,468,091,747	14,547,891,674	1,416,075,372	21,432,058,793
Deduct appropriations included above to liquidate contract authorizations.....	<sup>2</sup> 730,365,695	825,575,021	1,085,177,184	2,641,117,900
Net total 1943.....	4,737,726,052	13,722,316,653	330,898,188	18,790,940,893
Net total, 1941, 1942, and 1943.....	89,395,516,998	35,661,214,830	28,695,961,409	153,752,693,237
Estimated appropriations required beyond 1943 to complete construction of the expanded Navy.....				7,137,021,018
Total.....				160,889,714,255

<sup>1</sup> Includes liquidations of 1940 and prior contract authorizations, as follows: Army, \$156,921,988; Navy, \$58,087,100; other agencies—Maritime Commission, \$144,500,000.

<sup>2</sup> Includes liquidation of 1940 contract authorizations for Army of \$12,382,500, and for Maritime Commission, \$95,961,258.

<sup>3</sup> Exclusive of \$920,000,000 originally recommended in Budget for 1943 appropriation, now appropriated in Public Law 474 as 1942 to liquidate 1941 and 1942 contract authorizations.

<sup>4</sup> 1943 Naval Appropriation Act, Public Law 441.

<sup>5</sup> Includes items in 1943 independent offices, Department of Justice, State, Commerce, and War Department (civil functions) Appropriation Acts as passed the House.

The Members will note that the over-all total of over \$160,889,000,000 shows about \$89,395,000,000 for the Army, about \$42,798,000,000 for the Navy, and about \$28,695,000,000 for other defense agencies.

I want to call attention also, Mr. Chairman, to a table appearing at page 49 of the latest lease-lend report of the President dated March 11, 1942, showing all appropriations made for lease-lend or defense aid purposes. Under leave to extend my remarks I also include this table at this point in the record.

appropriations, contract authorizations, and pending recommendations for war purposes alone amount to the stupendous over-all total of over \$160,889,000,000, exclusive of loans by the Reconstruction Finance Corporation.

Mr. TABER. Mr. Chairman, will the gentleman yield there?

Mr. WIGGLESWORTH. I yield.

Mr. TABER. I am wondering if the gentleman would not get permission to put that table, which is on page 4 of the report, in the RECORD.

Mr. WIGGLESWORTH. I shall be very glad, under leave to extend my remarks, to insert the table at this point in the RECORD:

The following table includes the amounts in this bill on the basis of the Budget estimates submitted therefor. However, the reductions effected in the Budget estimates for the bill by the committee do not equal an amount which would bring the round total below \$160,000,000,000.

*Value of goods that can be transferred*

<b>War Department:</b>	
Third supplemental.....	\$2,000,000,000
Fourth supplemental.....	4,000,000,000
Fifth supplemental.....	11,250,000,000
<b>Navy Department:</b>	
Naval Appropriation Act (ships).....	3,900,000,000
Naval Appropriation Act (articles).....	2,500,000,000
<b>Maritime Commission:</b>	
First supplemental.....	1,296,650,000
Fifth supplemental (appropriation funds).....	1,503,000,000
Fifth supplemental (contract authorizations).....	2,350,000,000
<b>Other departments: Third supplemental.....</b>	<b>800,000,000</b>
<b>Total.....</b>	<b>29,596,650,000</b>

Maximum amount of aid that can be provided..... 48,006,650,000

The Members will note that the table shows a total of \$48,006,650,000 available for lend-lease purposes. This bill raises that figure by \$2,238,000,000, giving a total over-all of about \$50,244,650,000. The over-all total constitutes what may be called a ceiling for lease-lend purposes. Any or all of it may be used, of course, either for the purposes of our Allies or for our own purposes, according as we may determine from time to time.

Actual appropriations for war purposes, Mr. Chairman, as the committee report points out, must run far ahead of actual expenditure. It is hard to know just how far ahead they should run. I should suppose that at present they are running about 12 or 18 months ahead of anticipated expenditure. Actual expenditure for the fiscal year 1941 was about \$6,000,000,000, estimated expenditure for the fiscal year 1942 is about \$24,000,000,000, estimated expenditure for 1943 is about \$53,000,000,000, a total of \$83,000,000,000.

We have the assurance from the War Department, the Navy Department, and other war or defense agencies that with the exception of certain long-time items, all commodities requested to date may be expected to be turned into finished goods not later than the end of the calendar year 1943.

The bill is in three titles. The first provides for the Army about \$17,376,000,000, a decrease as compared with the Budget estimate of over \$203,351,000. The second provides for the Navy about \$820,751,000, a decrease of about \$5,172,000, as compared with the Budget estimate. The third provides for various other agencies about \$105,236,000, 67 percent of which, the report states, is connected with the war effort, or about \$27,680,000 less than the Budget estimate.

Like the gentleman from New York [Mr. TABER], I am reasonably satisfied with the cuts which have been made by the committee in charge of this bill. I have not the time to go into the individual items. The principal items are admirably covered, it seems to me, by the report prepared by Mark Sheild and John Pugh, our able clerks for the Appropriations Committee. I have time only to make two or three comments on matters which have developed in connection with the hearings.

First, I want to refer to the matter of unit costs. We all know what has been developed through the Truman commit-

**RECAPITULATION**

The amount of lend-lease aid that may be provided under the various acts is summarized in the following table:

*Lend-lease appropriations to the President*

First Lend-Lease Appropriation Act.....	\$7,000,000,000
Second Lend-Lease Appropriation Act.....	5,985,000,000
Third Lend-Lease Appropriation (fifth supplemental).....	5,425,000,000
	<b>18,410,000,000</b>



tee and through the Military and Naval Affairs Committees of the House in terms of gross waste in the construction of cantonments, for instance, in terms of enormous excess profits and other matters.

We know that to date, generally speaking, unit costs have failed to come down.

I call attention in this connection to the testimony of the Civil Aeronautics Authority, pages 338 to 352, part I, of the committee hearings, page 19 of the committee report. There you will find an item of \$1,200,000 representing solely increases in cost of materials, equipment, and supplies, increases all the way from 22 percent to 126 percent, increases apparently due solely to competition between this and that Government agency. In the absence of explanation these exorbitant increases just do not make sense.

We are told that contractors and subcontractors are being asked to furnish explanation in the matter. It must be gone into thoroughly. Profiteering must cease. Unit costs must come down.

I want to refer also to the matter of training for war or defense purposes. You will find two items in the bill for training courses. I understand that there are no less than 11 different Government agencies operating in this field at the moment.

If I am correctly advised there is the Department of Labor program, there is the Office of Education with five programs, there is the W. P. A. with two programs, there is the N. Y. A. with two programs, there is the C. C. C. with its program, there are the Army, the Navy, and the Maritime Commission, and the C. A. A. programs.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DITTER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. WIGGLESWORTH. There is the War Production Board with two programs; there are, I am told, two programs under the public vocational schools.

We have seen, Mr. Chairman, in the past no less than 8 different agencies operating in the field of priorities, and the enormous confusion that resulted. We have seen some 12 different agencies in the field of defense housing. The hearings indicate that some effort has been made to coordinate this training picture through the War Production Board. I submit, however, that some committee of the House, probably the subcommittee in charge of labor and social-security appropriations, should go into this picture thoroughly with a view to eliminating any of those programs which do not justify themselves, and to assuring coordination of the entire picture.

During the past 9 years we have seen the creation of an unlimited number of commissions, boards, and other Federal agencies. Recently the demand has become insistent for the elimination of all nonessential expenditure. Yet to date, we have seen almost no indication of the elimination or suspension for the period of the war of any of the agencies referred to. Attention is called in this connec-

tion to the testimony of the Public Buildings Administration showing that the Federal Government in Washington alone today owns office space to the extent of 19,790,000 square feet and rents additional space to the extent of 5,975,000 square feet as compared with a year ago when the owned space amounted to 17,316,000 square feet and the rented space to 4,842,000 square feet, the space for both years being apparently far in excess of the peak during World War No. 1.

Many Members were much concerned recently by the action of the Social Security Board in taking over, under doubtful legal authority, the employment offices in several States; a step apparently preliminary to the subsequent step contemplating complete federalization of the unemployment compensation work throughout the Nation, recently defeated by the Ways and Means Committee after the almost unanimous protest of the Governors of all the States. Attention is directed to the fact that the request of the Social Security Board included \$1,500,000 as a result of the taking over of the employment offices.

My time is very short and I can only speak briefly.

This bill allows 99 percent of the Army requests and 99½ percent of the Navy requests. It slashes the total for other requests by about 20 percent. It sets a good example and indicates the road that we must follow.

The situation confronting us demands 100 percent cooperation in everything contributing to the war effort, in order that victory may be achieved at the earliest possible moment. It demands also 100 percent opposition to every force, whether inside or outside of Government, prejudicing that result.

One destructive force is the force represented by waste, by extravagance, by nonessential expenditure. That force must be eliminated.

I have an editorial, Mr. Chairman, sent me by a friend, appearing in an unnamed Massachusetts paper. It reads, in part, as follows:

THIS IS THE KIND OF CONGRESS WE NEED NOW

By tradition Congress is a deliberative body.

In ordinary times that is what we need.

But these are not ordinary times.

These times demand, not a deliberative Congress, but an enraged, determined, fighting Congress which will forget votes, forget parties, forget elections, forget social experiments, and slap down everyone who blocks the war program for even 15 minutes.

We need a Congress which will see red when an American boy is killed or wounded because a ship, or a plane, or a bit of war material reached him too late on account of some delay at home, whether that delay was caused by a strike or by someone's incompetence.

We need a Congress with guts enough to say to everyone: "Either you are for winning this war or you are against winning the war. There is no halfway position."

We need a Congress which will stop pussy-footing, stop trading the lives of American soldiers and sailors for the feelings of some incompetent but politically powerful Government official.

We need a Congress which isn't afraid of man nor devil, a Congress that is hell-bent

for victory, a Congress that will make history instead of letting history write its epitaph.

We need a Congress of aggressive leadership. We need it badly.

I offer the editorial as evidence of what public opinion expects of us.

Public opinion throughout the country has become aroused, Mr. Chairman. Personally I thank God that it has at last become aroused. Personally I think it is a tragedy that it did not become aroused years ago.

The distinguished gentleman from Missouri [Mr. CANNON] has emphasized the fact that production is improving. That is true. I do not believe, however, that he would state that he is satisfied with production today. I know that I am far from satisfied. I do not believe the Army, the Navy, the Maritime Commission, the War Production Board, or anybody else primarily responsible for production is satisfied today. We must have maximum production at the earliest possible moment.

Mr. Chairman, there is nothing, in my judgment, that can contribute more to maximum production, to legislation essential in the interest of victory, to the elimination of all forces impairing an all-out national effort than an intelligent and aroused public opinion through the length and breadth of this Nation of ours. I welcome it.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. STEFAN. Is the gentleman familiar with the lend-lease funds now appropriated?

Mr. WIGGLESWORTH. The total appropriated to date is \$48,006,650,000, of which, according to the last lend-lease report by the President dated March 11, 1942, about \$12,272,000,000 has been allocated, about \$8,459,000,000 obligated, and about \$1,411,000,000 actually transferred.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. STEFAN. I would like to ask the gentleman if my figures are approximately correct. I have here figures indicating that the lend-lease amount, including the amount in this bill, would be something like \$50,206,000,000; that on February 28, of this amount, \$2,560,000,000 has been actually spent. Of that, \$1,100,000,000 has been transferred; also of this \$1,100,000,000, 25 percent was for war materials, or actual defense materials. Are those figures comparatively correct?

Mr. WIGGLESWORTH. I think they are not far out of line. Including this bill, the figures I have show total appropriations of about \$50,244,000,000. According to the President's report of March 11, 1942, the amount obligated as of February 28 was about \$8,459,000,000; the amount transferred was about \$2,570,000,000, including articles in process, and about \$1,411,000,000, excluding articles in process.

Mr. STEFAN. Then my figures are substantially correct?

Mr. WIGGLESWORTH. I think so.



Mr. STEFAN. That is, as of February 28.

Mr. WIGGLESWORTH. That is correct.

Mr. STEFAN. Now, if it is true that only 25 percent of this amount is for war materials, what became of the other 71 percent?

Mr. WIGGLESWORTH. A large part of it was for agricultural commodities, and other expenditures. I think the gentleman will find the details in the report referred to.

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I find myself in accord with much that the chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], said at an earlier hour today. With some of his statements, however, I must take issue.

It is to be regretted that he left the impression that either the press or the radio is not living up to the best traditions as molders of public opinion. I believe the press is trying to do an honest and a fearless job. I believe the radio is being used in an effective way. I believe any effort to stifle either the press or the radio would be a dangerous move today.

I am not unaware of the fact that in wartime much must be withheld, much must be left unsaid that can very properly be said in times of peace. But, on the other hand, there is considerable danger if any effort is put forth by those in authority to establish themselves, as Felix Morley has well said:

The keepers of the national conscience and the moralistic arbiters of our destiny.

So I plead today for a public opinion, an informed public opinion, an intelligent public opinion. I plead for a freedom of speech and a freedom of the press which will make possible the formation of an intelligent opinion. I object to any suggestions which might mean suppression of the means at hand for the dissemination of information and the formation of honest opinions and the reaching of reasoned judgments. I think some answer should be made to what I interpreted on the part of the distinguished gentleman from Missouri as an optimism. I think there is danger in a false optimism. I think there is considerable to be said in favor of Mr. Churchill's forthrightness and frankness when a day or two ago he told the people what the conditions were. I am delighted that progress has been made in production, but I am extremely concerned lest we assume a false optimism, which might contribute to our undoing. France was lulled into a sense of security by an optimism. This must not happen here.

The record of the hearings discloses from the lips of one of the naval officers what I have in mind, Admiral Towers, under examination, admitted that we were under the estimates as they had been projected, in plane production. He was honest and forthright. The job to be done is a big one, a gigantic undertaking. Nothing less than our utmost will complete the task.

Let us cease fooling the American people. Let us avoid misleading the American people by an optimism that may prove disastrous. Words will not win this war. An optimism, illusory hopes, idle dreams will not win this war. We must work more and harder to win.

My distinguished friend from Missouri took occasion to draw a comparison between the conduct of this war and all other wars in our history. He dwelt at some length on the competency with which this war is being managed and that which prevailed during the course of other wars. I shall make little comment about that. I am not in hearty accord with the blanket whitewash that my friend attempted. I will let the record speak for itself and what the future will disclose time alone will tell.

From unimpeachable sources we have the records at hand which indicate that all is not well on the Potomac. There is little advantage to be gained by wrapping ourselves in any cloak of contentment, if this war is to be won. Irregularities have been shown. Favoritism should and must be eliminated. Let us make the record by deeds rather than writing it in words.

The gentleman referred to the information that should be available to our people. I am in hearty accord with the statement he made. But my suggestion is that that information should be uncolored and undistorted. Let this information be honest and factual, free of the pressure of propaganda purposes, and free of political persuasiveness. Let both of those conditions be attached to the dissemination of information. Let it be broadcast, the information at hand. It must not disclose military secrets. It must not disturb our military successes. It must not discourage our forces. But, oh, let it be information that does not have the pressure of propaganda or political advantage behind it. Give the people the cold, unvarnished truth, unadorned by the efforts of skillful publicists in the Government employ or by the deft touches of propaganda specialists. An honestly informed people is our surest security.

One thing disturbs me greatly. I have seen entirely too much evidence of a stubborn and unyielding unwillingness to admit mistakes; a refusal to admit that there could be any possible fallibility. God knows this is a human effort. God knows the frailties of human nature. Let us cast aside this mask of omnipotence, of infallibility. If there are mistakes, instead of being stubborn and unyielding let us be willing to admit them and try to correct them. Unfortunately, this same spirit of stubbornness prevails, as honest men, as well-intentioned men, as patriotic men, devoted loyally to their country, attempt to direct constructive criticism as to the means or the ways of conducting the war. In my humble judgment the road to progress, the road to improvement, has always been the road where constructive criticism is not only permitted but where it is invited. Retrogression comes where the barriers are placed against those who may make calculating, constructive, criticisms and honest appraisals. This

war is to be won. It will be won. To win it there must be a singleness of purpose not only on the part of the people throughout the country, but a singleness of purpose here in Washington—yes, in this Congress. This singleness of purpose must be divorced from any plan to protect political power or to perpetuate a political philosophy. This war will be won by permitting the light of noon-day to get into every nook and corner of public life. It will be won by a fearless forthrightness which will challenge the devotion of a free and a courageous people. America is not afraid. America knows no fear. But one thing can defeat us, disunity.

[Here the gavel fell.]

(Mr. DITTER asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we have before us today an appropriation bill carrying the sum of \$18,157,187,148. An enormous sum of money, and I do not know where we will get all the money we are spending. We received this bill in the Committee on Appropriations yesterday morning about 11:15. At 12 o'clock the committee reported it out of the full committee for your consideration. This appropriation is in addition to those already made at this session, which began the 5th day of January. On January 22 we passed the fourth supplemental appropriation bill amounting to \$12,566,000,000 for airplanes. On the 26th of January we passed the Naval Department appropriation bill carrying \$26,500,000,000. Then we had the fifth supplemental deficiency bill amounting to \$32,762,739,900 for the Army. With this bill the total exceeds \$90,130,922,000. Since the 22d day of January, including this bill, we will have appropriated, so far as the House is concerned, for this country's participation in the war one of the most tremendous sums the Nation has ever appropriated in such a short time. No country in the world has ever done more to win a war.

Our first duty as American citizens is to win this war, because this Nation will not be fit to live in if we do not, and it behooves each and every one of us to do everything we can to bring about the ultimate end of a successful conclusion and winning of the war. In our zeal to make appropriations for national defense, however, we should also be careful that we do not permit powers that belong to Congress to pass out of the hands of the House of Representatives and the Senate of the United States. We have our responsibilities to the people, we have our responsibilities to the country, and we should see that our form of government is maintained and that our financial structure is secure in granting these powers under this bill.

I tried to find who wrote the bill, but all I could ascertain was a statement by the chairman of the committee that it was sent here by the Chief Executive and the Army; that they made the sug-



gestions. Our Subcommittee on War held hearings for 3 days. The fact of the matter is that we are furnishing money to the Chief Executive and the Army so fast we are beginning to hear stories that do not sound so good about the kind of contracts that have been made, where contractors have made 200 and 300 percent profit. This is wrong. I realize that income and excess-profit taxes are going to level them to a greater or lesser degree depending on the bracket in which the income falls, but that is not sufficient; we should not permit contracts of this kind to be let in the first place. No contract should bear a greater profit than 10 percent.

It makes no difference what it is for or to whom the contract might go. That is your responsibility and mine, and it seems to me that when we are passing out this money so fast that greater waste and greater extravagance will certainly follow the wake of these rapid appropriations. I am not in sympathy with such speed that leads to waste.

If we give the power to the Army and Navy and to Government officials to let these contracts, certainly they must be more responsible for looking after every detail of these contracts. They must investigate and find out what it costs to manufacture a certain article, then they will have a better idea of how to award a contract so that they will not yield such great profits to any manufacturer. That responsibility is yours and mine to see that they do not; I want to assume it; do you?

Mr. Chairman, I call your attention to page 29 of this bill which provides a deficiency appropriation for the Interior Department and to this proviso:

*Provided, That for sudden emergency work involving the loss of human life or the destruction of property persons may be employed for periods of less than 60 days and be paid salaries or wages from this appropriation without regard to citizenship and without regard to membership in an organization that advocates the overthrow of the Government.*

Mr. Chairman, that is wrong; it seems to me that when we bring in a bill here so rapidly that it permits a proviso of that kind to remain in it, there is something wrong with our Americanism, there is something wrong with our citizenship, and as far as I am concerned personally, when this proviso "without regard to membership in an organization that advocates the overthrow of the Government" appears in here, I will not support it. I am going to make a point of order against that particular section of the bill. It must be struck out.

Mr. O'NEAL. Will the gentleman yield? I will explain that because it seems to me the gentleman will not take that position if he understands it.

Mr. RICH. Let me finish my statement. If you will turn to page 36 of the bill you will see the proviso that we have placed in practically every appropriation bill we have passed:

*Provided further, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appro-*

*priation in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.*

That is the proviso that we write in every appropriation bill, and it is a good proviso. When we permit this other proviso I read on page 29 to remain in the bill, one is diametrically opposed to the other.

I know what the gentleman has in mind. They are going to take these people that are placed in concentration camps and use them for fighting forest fires and things of that kind. We should put anyone who advocates overthrow of our Government behind the bars and keep him locked up, and I do not care who he is, where he comes from, or what his name is.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. O'NEAL. When a fire starts in a forest, the Forestry Department immediately secures as many helpers as it can to put out the fire. There may be 50 in one village, 5 over here, and others over there. This provision that the gentleman is seeking to strike out is put in here so that they will not have to ask these people who are asked to fight the fire to file citizenship papers showing that they are citizens, or to take an oath and to go through all the necessary things that they must go through, to put a man on the pay roll. Would it not be ridiculous, if you had to stop, while a fire is burning, to make a man prove the fact that he is a citizen, take an oath that he is not a Communist, and go through all the minutiae they now have to go through before they get on the pay roll? This waives those provisions in case of fire so that they will not have to go through all of these details in order to put a man to work putting out a fire.

Mr. RICH. May I say to the gentleman that at a time like this, when there is a fire, you have not all these opportunities to take affidavits, but I do not want to put anything in this bill that is going to permit any man who advocates the overthrow of this Government of ours to work any place. Why, he would do more damage because he would do everything to start fires if he had the opportunity. I say, put that fellow in prison and do it now.

Mr. O'NEAL. Does the gentleman understand that you could not take on perhaps 200 people when the fire started, because you would have to stop and make them all take an oath? You would have to investigate all of them, you would have to have all of them present their citizenship papers and other details. The gentleman wants the fire stopped, but he seemingly does not want to have anybody fight the fire.

Mr. RICH. No; that is not the case at all. I do not want to agree to let any person be at large who would overthrow the United States of America. I am willing to give my life for my country and I will not permit any person at large who would overthrow our Government.

Mr. O'NEAL. The gentleman does not understand it.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, the measure before us calls for \$18,302,187,148, and the President, the War and Navy Departments say that this appropriation is necessary for our national defense, and have asked Congress to appropriate this sum. I am supporting the bill. I assume that if there is a roll call that every Member of the House will be recorded for it. There is no opposition.

Our Nation is now engaged in its longest, costliest, and bloodiest war. The one great desire of all loyal Americans is to win this war at the earliest date possible. I am sure that every loyal American is willing to do whatever he or she can that is necessary to bring success to American arms.

The report of the Appropriations Committee filed with this bill shows that this brings the grand total voted by Congress at the request of the President, the War and Navy Departments, to the amount of nearly \$161,000,000,000 since July 1, 1940. This does not include many, many billions voted for the Reconstruction Finance Corporation to loan to various industries and agencies to aid in our war efforts. I think it can be truthfully said that the total amount voted by Congress since July 1, 1940, for war purposes alone exceeds \$164,000,000,000. This vast sum is more than one-half of the estimated national wealth of the country and is more than six times the direct and total cost of the first World War of \$25,729,000,000 from April 6, 1917, to July 2, 1921, when that war officially closed. This sum does not include the \$10,000,000,000 loaned to the Allies in the first World War. This \$161,000,000,000 is four times the assessed value of all the farm lands, the improvements, livestock and poultry thereon in the United States, according to the Federal census of 1940.

The leaders of labor and the heads of industrial plants generally, throughout the Nation, have been working wholeheartedly to prevent strikes or stoppage of work in our defense plants. I regret, however, that there are some workers in some of our defense plants who have obstructed production, and then there are some of those engaged in industry who, according to their own statements, have been receiving unconscionable profits. Such individuals or groups render themselves a great disservice. The American people will not tolerate such conduct.

I wish to commend the high purpose and patriotism of those workers and their leaders and those in industry who place the welfare of their country above their own personal interest and welfare. Let us not hastily condemn all of labor or all of industry because of the selfish acts of a few. When the American people see their money honestly expended for our national defense and see that our production and our war efforts are commensurate with the money expended and they can see that their country is being defended, I am sure that the American



people will willingly buy bonds and saving stamps and pay their taxes. With these tremendous sums of money being spent the American people have a right to expect results.

Congress has voted to the President, the Commander in Chief of the Army and Navy, extraordinary powers. These great sums of money and these powers voted by Congress because of the demand on the part of the President, the Navy, and War Departments that they were necessary for the defense of our country and to enable us to win the war, and therefore it can be truthfully said that Congress has provided the money and the power to carry on this war successfully. There may be ground for just criticism that Congress has been too liberal in granting funds and power, but every other Member of Congress, like myself, would not want it said that we had obstructed in any way our war production or our war efforts. We desired only to see our heroic men thoroughly equipped and armed to defend our country and bring victory to the Nation.

The plans of the administration are to train, arm, and equip at least 10,000,000 men for the Army, Navy, and Air Service. In a short time Congress will pass another tax bill. The Government will then collect from the people annually thirty billion in taxes. Our armies, Navy, and Air Forces are now in every land and on every sea. The American people must begin to realize what a stupendous task is before them. I believe the patriotic American people are willing to make the sacrifices and for the Government to spend every dollar that is necessary to insure victory, but they have the right to demand that their bond money and their tax money be judiciously and honestly expended and their bond and tax money must not be squandered and wasted for fan-dancing, boondoggling, profiteering, to carry on rackets or racketeering, or to promote the interest of any selfish group or individual. They demand that this money be translated quickly into ships, planes, bombers, tanks, guns, and other war materials and supplies, and in such quantities as will mean victory. The dangers to our country are such that they have a right to demand that there be no strikes or stoppage of work in our defense plants by either capital or labor.

#### UNITY AND VICTORY

We have heard much about V standing for victory. The letter U precedes the letter V and stands for unity. In order to make sure of victory, there must be unity of the American people.

This war cannot be won by capital, by labor, by the farmer, by the Congress, by the administration, by the Army, Navy, or by the air force, or with money, or by one political party; it can only be won through the unselfish, patriotic efforts of all of our people and all of our agencies and resources.

This great war will tax to the utmost the manpower, the industrial, economic, mental, and spiritual resources of the whole Nation. It will finally reach the pocketbooks of the rich and the poor, and every heart and home in this broad land of ours.

There is considerable discord in the Nation; one group is claiming another group is promoting its own selfish purposes. In order to have unity Congress and the administration must see to it that justice is done to our defenders, to those who produce on the farms, to those who toil on the railroads, and in the factories, shops, and mines, and those engaged in industry. All these groups must contribute their share of the sacrifices, but each one of them is entitled to fair and just treatment.

Many bills have been introduced in the House and Senate relating to the question of labor and profits. The Naval Affairs Committee of the House is holding hearings, and will continue these hearings for some days yet. This committee will then report a bill to the House about the middle of April. No one knows in what form the bill will be presented or what provisions it will contain. Consideration of this bill should be approached by the Congress in a spirit of justice and fairness, keeping constantly in mind that the first and greatest task of our people now is to give to our defenders the weapons and equipment with which they can make an heroic and successful defense of our Nation.

As millions of American boys are, and will, offer their lives for their country, no Member of Congress should hesitate to take such action and cast such vote as he honestly believes will promote unity, expedite production of our war equipment, and give the greatest assurance of victory.

After all, if we should be defeated because of action taken or votes which we honestly believed were to the best interests of our country, it could mean little compared to what our defenders give, or the sacrifices that will be made by the mothers and fathers, the wives and children of these defenders.

I did not agree with the foreign policy of the President in the repeal of the neutrality laws, or in providing guns, planes, bombers, ships for other countries. I sincerely believed such a policy would involve us in the European and Asiatic wars, and I knew our country was unprepared. I believed that we should keep some of this equipment for the defense of our own country and the Western Hemisphere, and I believed it was our duty to build up first the greatest air force, the best mechanized army, and the best two-ocean navy in the world, primarily to defend our own country and the Western Hemisphere, and then give such aid as we could to other countries. That was the policy that was then being followed, and is now being followed, by Britain and Russia.

When we pass this bill today, Congress will have voted over fifty billions that the President and his administration can use under the so-called lend-lease policy. Of course, since we have entered the war, we must all hang together or hang separately, but our administration should insist that these other nations, with which we are united in this war, do what they reasonably can to help win the victory.

We are now in the war, and however, sincere or right one side or the other may have been, we must, for the period of the

war, forget the things that are behind us, and unite together to bring success to our American forces, even though Mr. Flynn, the National Democratic chairman, calls upon the people to elect only Democrats, and the President intimates his desire that only New Dealers be elected, and Democratic newspapers are urging that Democrats or New Dealers be elected. Neither the Democrats nor the New Dealers alone can win this war. We must have the united effort of all of our people.

(Mr. ROBSON of Kentucky asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I realize that the average Member of the House has many questions in his mind when a bill like this comes in, because the hearings of necessity are censored. The printed hearings occupy 205 pages. However, throughout these 205 pages you will find frequent lines that read:

Here was a discussion off the record.

If my memory serves me right, there was considerably more said off the record than on the record during the time we were working on this bill. I feel, however, that in spite of the censorings and the omissions, Members will find considerable information in the printed hearings. It is my purpose merely to give you a few references to some points that I think will be of interest to you. First, may I call your attention to the item in the bill that provides funds for the Army to guard and protect enemy aliens. This is not to be confused with the evacuation problem.

The President by Executive order recently established a new work corps for the handling of some of the people of alien descent being evacuated from the west coast. That phase of the problem is not covered in this bill. The other problem deals with prisoners of war and enemy aliens covered by international agreement and funds in this bill go to that purpose.

It was of interest to members of the subcommittee to learn that the obligation on the part of belligerents to look after officers and persons of equivalent status who are prisoners of war is the subject of a multilateral convention which was entered into in 1929, ratified by the United States, and also ratified by Germany and Italy. Japan also was a signatory, and we were told that as far as is known Japan as well as Italy and Germany are abiding by this convention.

This convention is reproduced in full text on page 47 of the hearings. You will find information on the same subject on pages 32 and 33. I think reading it will help you to answer some questions that Members will be asked back home.

Another subject that is under considerable discussion at the present time is the payment of time and a half for work after Friday night and double time on Sundays. In response to a question by the gentleman from Mississippi [Mr. COLLINS], we were advised that, regard-



less of whether a man had worked 40 hours prior to Friday night or not, pay on Saturday would be time and a half and pay on Sunday would be double time.

The testimony on this follows:

Mr. COLLINS. You do put in all of your contracts a provision that from 5 o'clock Friday afternoon until 7 o'clock Monday morning every man who works is paid overtime, even though that is the only time he does work?

General SOMERVELL. Yes, sir (p. 19).

Mr. CASE. Referring to the question which Mr. Collins asked you relative to the clause in the contracts which requires payment of overtime or double time for work between Friday night and Monday morning: Where is the responsibility for that clause being in the contract?

General SOMERVELL. The act of Congress, which requires us to pay overtime and the rate of time and a half.

Mr. CASE. It is the responsibility of Congress, if it requires a change in the act.

General SOMERVELL. That is in the law (p. 32).

So this places squarely before Congress the question of whether or not that provision with respect to time and a half or double time should be changed.

In this same connection I think it will be of interest to the Members to know that of the forty-six-million-and-odd dollars carried in this bill for pay of civilian field employees of the air forces, over \$19,000,000 in this particular bill is to pay time and a half by reason of the fact that they are instituting a 48-hour week in the field. Under the law employees of the Government, civilian field employees of the War Department, have a 40-hour week. By instituting a 48-hour week in the field it will require for the period covered by this supplemental bill an additional appropriation of \$19,273,292.

You might say the committee might have denied these funds if they did not want to pay this. On the other hand, under the ruling that has been applied to the Ramspeck Act by the Comptroller General and the General Accounting Office, with that being the law, the employees would have a cause of action and a just claim against the Government if the funds were not provided in the appropriation bill. So the committee included that \$19,000,000 for overtime on the 8 hours added. It is mandatory under existing law.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I will be glad to yield to the gentleman from Georgia.

Mr. RAMSPECK. Does the gentleman mean to say that all the employees of the War Department get time and a half for overtime?

Mr. CASE of South Dakota. I do not mean to say that all of them get it. It depends, of course, on whether or not that time is reported and accounted for. In the justifications on this bill an item of \$19,273,292 was specifically included to take care of overtime for field employees of the Air Corps under the act of June 3, 1941.

[Here the gavel fell.]

(Mr. CASE of South Dakota asked and was given permission to revise and extend his own remarks in the RECORD.)

The Clerk read as follows:

For contingencies of the Army, including necessary personal services and the purchase of lawbooks, professional books of reference and subscriptions to newspapers and periodicals, and such other expenses as may be necessary, and payments from this appropriation may, in the discretion of the Secretary of War, be made on his certificate that the expenditures were necessary for confidential military purposes, \$1,578,180.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. Yes; I yield.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

Mr. CURTIS. Mr. Chairman, reserving the right to object, to what paragraph does this request refer?

The CHAIRMAN. The paragraph ending in line 5, on page 2. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I rise at this time to mention that on June 15, 1941, I made a speech advocating doubling of the base pay of every soldier and sailor in the armed forces of the United States. It has been my great satisfaction to see that action taken in another body and also to see the very provisions of the Hall bill now before the Military Affairs Committee of the House, and, according to information which I have, it will soon be brought to the floor for our consideration.

I need not say it is particularly gratifying to me to see such action taken. I feel that the day is way past due when we should consider, in view of the other benefits that have been paid to other groups of this great war effort, benefits to the soldiers and the sailors who are keeping the enemy at bay in the Pacific and throughout the world.

I want to express my satisfaction today that before very long this subject will come up. I regret that in this bill there is not an opportunity to take such action today to increase the pay of the soldiers and sailors, but I want to express the desire and the hope that such action will be taken immediately.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the distinguished gentleman from West Virginia.

Mr. RANDOLPH. I commend the gentleman from New York for preparing and presenting to this body such legislation. It seems to me that every excess in the operation of Government here at home lessens by just that much what we give to our soldiers at the fighting front. There is certainly much merit in the gentleman's proposal.

Mr. EDWIN ARTHUR HALL. I want to thank the gentleman from West Virginia for his observations. I also want to thank the members of the committee for the consideration they have given me at various times when I have presented this amendment.

Another proposal which I made long ago and which will be remembered was to give free transportation home to members of the armed forces on furlough.

Some of the Members felt that such action was not necessary, but on the other hand I have received letters from many boys in the training camps, and they have stated flatly that they have been unable to take advantage of the furloughs that have been granted because they did not have the funds sufficient and their families did not have the funds sufficient to make the trip home. This, in many instances involved traveling a long distance. Although it is out of order in this bill to offer amendments for pay increases to soldiers and sailors, nevertheless I hope that such a thought can be injected into this debate and action taken as the result of it. At this time I think it only fair to mention the subject of insurance and benefits to the families of the men in the service. This subject has also received wide consideration. It is with all sincerity that I stand before the House today and advocate that not only the base pay be doubled for every man in the armed forces and furloughs granted him when he is able to go home, but also provision should be made for insurance and benefits to those members who may be among the casualty list in the great battles for freedom which are to come. We must all be prepared to strip our essential needs to the bone. Yet I am sure there is not a member of the committee or a citizen of the United States who will not agree with me when I say that there is nothing too good for the men who are fighting the battles to preserve this great Nation.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Clerk read as follows:

For Signal Service of the Army, \$748,149,000.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. I see my distinguished friend, the gentleman from Pennsylvania [Mr. DITTER] is present.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. DITTER. I had anticipated, as I saw the gentleman making notes during the course of my own address to the House, that he would have something to say and therefore I felt in duty bound to be on hand to listen to the gentleman's remarks.

Mr. McCORMACK. Mr. Chairman, the gentleman's powers of deduction are keen, and they are correct. I have taken the floor to compliment my distinguished friend from Pennsylvania upon the constructive speech he made this afternoon in his plea for unity. It is one of the finest speeches that I have ever heard, and I was very much moved by it. Every one of us agrees with him in his statement that criticism should not be destructive, but should be constructive. Particularly in these trying days should the very able and constructive suggestions of the distinguished gentleman from Pennsylvania be carried out, that all of us should discipline ourselves to



the extent that we should not make any utterances that would not serve the Nation's benefit. That applies not only to ourselves but to the great agencies that exist in the country that create public opinion. During his remarks the gentleman said in substance that no effort should be made to stifle the press or radio, that such an effort would be a dangerous move. I thoroughly agree with the gentleman in that respect. I think everyone else agrees with the gentleman, and I think my friend will agree with my observation that the press with its constitutional freedom, and the radio with its privilege should do everything in their power to make their criticism and observations constructive. We want constructive criticism. It is through constructive criticism that human frailties which result in errors will be corrected, and my friend from Pennsylvania ably referred to the human frailties of which we are all victims. It is constructive criticism that will correct those errors and which will prevent those errors from occurring in the future.

However, I am inclined to think that my friend from Pennsylvania unintentionally misinterpreted the remarks of my friend, the gentleman from Missouri [Mr. CANNON], because certainly there is no one in this country who will fight more to preserve the freedom of the press or the privilege of the radio than our distinguished friend from Missouri, the able chairman of the Committee on Appropriations. I feel also sure that every one of us, without regard to party and those little things that move us, as we look at the broader implications of our way of life, in which we believe, and which we see threatened, must have a feeling of consolation that our Chief Executive and Commander in Chief, our President, is a man who is an intense lover of our form of life and an intense believer in preserving the freedom of the press. I refer only to one act on his part. We are at war and yet once a week, sometimes twice a week, he holds his press conference. These men who represent the papers, the special columnists, are men of great capacity.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. McCORMACK. Mr. Chairman, we all admire the correspondents who represent the various papers and news services in the House gallery and in the Senate gallery. I do not mean to flatter them, because I do not curry flattery. I do not like to receive it and I do not hand it out, but, to give credit where credit is due, the men and women who represent the journalistic profession are men and women of great capacity. Yet in war we see the President of the United States, the only country in the world where it has happened, still holding his press conferences. Not so many years ago, because of the ability of the members of the press to ask disturbing questions, we have had Presidents refuse to answer questions, but insisted that the members of the press sub-

mit their questions in writing a week ahead, and then the Chief Executive would select such questions to answer. I cannot criticize those Presidents, but, on the other hand, we have the spectacle of our President today holding his press conferences, meeting the galaxy or brains, subjecting himself to the questions that are suddenly shot at him. That is freedom of the press at its greatest height. So long as we have President Roosevelt and men of his type we need not worry about the great principle of freedom of the press being preserved, and as long as we have men of the outstanding ability of my friend the gentleman from Pennsylvania [Mr. DITTER].

But I also had another reason for rising in addition to expressing the profound effect that the thrilling utterances of the gentleman from Pennsylvania [Mr. DITTER] made upon me.

Few realize the tremendous difficulties our Army and Navy have faced in their operations in this war.

In this first phase, garrisons have been sent to guard our outlying bases and strategic islands along our line of communications. Each of these garrisons has presented a different problem. Few have gone to places where the size of the garrison was not so great that the local utilities were entirely inadequate. Many garrisons have gone to localities where local utilities are nonexistent. The air forces, the Infantry, and the Artillery have to be supported by utility operating organizations called service troops—few of which existed, except on paper, before the emergency. The American forces in Iceland, for example, took with them 25 different types of service units, among which were:

An ordnance medium maintenance unit for repair of weapons. Such a unit can not only repair weapons but can even manufacture complicated parts in its mobile machine shop.

A quartermaster refrigeration unit, which operates a portable refrigeration installation, so that fresh meat and vegetables which are shipped in can be preserved.

A medical battalion, which constantly watches over sanitation and health, and which provides immediate medical care to the sick and wounded. After initial treatment, the medical battalion arranges for transportation to the rear for complete and continued care in hospitals.

Other types of service units included a signal construction unit, an air-field construction unit, a field baking unit, a field laundry unit, and even a mobile shoe and textile repair unit.

An added complication in garrisoning islands not already heavily populated has been the lack of unloading facilities. Here cargo must be discharged with the ship's own cargo-handling equipment, frequently onto wharves which have no facilities for removing or storing the cargo as it is unloaded—sometimes into lighters, from which it must be removed by hand.

Unusual equipment and supplies required in unusual places vary all the way from salt-water stills, for providing drinking water from sea water, to typhus

and cholera vaccines—which are seldom used in the continental United States.

The great bottleneck in the American effort is lack of shipping. The problem of transporting troops and their supplies has increased greatly since the World War. Distances are so great that only the bombers can fly and other types of aircraft must be shipped by water. Many divisions are armored or motorized. Even in the infantry divisions most of the supplies and equipment are carried in trucks. This is because, in order to provide protection against modern mechanized units, it has become necessary to increase the weight and caliber of many of our guns and automatic weapons. This change has increased the amount and weight of ammunition requirements, and also requires motor vehicles and fuel to move these weapons to meet rapidly changing tactical situations. As a result, whereas in the World War the pounds of supplies required per man per day averaged 34, they now average 45; and whereas the cubic feet required per ton were 57, they are now 80. The combination of the two have reduced to one-half the number of men which can be supplied by any given amount of shipping. A second factor of one-half must be inserted, because, whereas in the World War we secured more than half our supplies from Britain and France, delivered in France, we now have to use much of our shipping assisting our Allies. Finally, the distance from our west coast to Australia is well over twice the distance from our east coast to France, which doubles the time required for each complete voyage. The product of these three factors, each of one-half, indicates that the amount of shipping which could have supported eight divisions in France in 1918 will support only one division in Australia in 1942.

In spite of these difficulties, much has been accomplished. Within the continental United States the railroads moved 1,904,000 troops between December 7 and March 15. This does not include thousands of soldiers who went home on furloughs. The troop movements were required partially in moving troops to our shores for protection against raids, partially in moving troops to our ports for movement overseas. All were made without confusion or delay.

From our ports, since December 7, millions of ship tons of cargo have been transported to foreign destinations; thousands of troops have sailed overseas. These movements, too, have been made without confusion, and with such secrecy and under such vigilant protection from the Navy that not one transport loaded with troops has been lost.

I think this information is important to the American people as a means of assisting them in understanding more clearly the trying problems that confront our naval and military leaders. I think that more information of that kind should be given to the American people because, with the information given to them that the military exigencies will permit, we in the long run can rely upon the sound judgment of the American people.

[Here the gavel fell.]



Mr. DITTER. Mr. Chairman, I move to strike out the last two words. I shall not detain the Committee but for a moment.

I would be remiss were I to fail to acknowledge—and very gratefully acknowledge—the kind words of my distinguished friend the able majority leader. Suffice it to say that, in my opinion, he has rendered today a splendid service for that liberalism without which free institutions cannot hope to live.

Mr. KEFAUVER. Mr. Chairman, I move to strike out the last three words, and I ask unanimous consent to speak out of order for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KEFAUVER. Mr. Chairman, the testimony of Assistant Attorney General Thurman Arnold before the Truman committee relative to the withholding by the Standard Oil Co. of New Jersey of patent rights in the manufacture of synthetic rubber and gasoline indicates that some corrective legislation should immediately be passed.

At the time the first and second war powers bills were considered by the Committee on the Judiciary inquiry was made into the question of whether the Government had a right to take over and use during the period of the war patents held by citizens or corporations of the United States for the purpose of prosecuting the war effort. It has been generally understood that this right existed, and therefore titles were not included in either of the war powers bills dealing with this question. Title 35, section 68, of the United States Code provides for the payment of compensation to a person or company whose patent is used by the Government of the United States. This section also fixes the method for arriving at just compensation. It was assumed that by dealing with the matter of compensation the Government, for its security and protection, had a right to use patents owned by citizens of the United States. Since there seems to be some doubt about the matter I have filed a bill affirmatively giving the Government this right and invite your earnest consideration to this proposal. I hope the bill may be passed without delay. The Government certainly must not be curtailed in manufacturing the sinews of war. The Government must, for war purposes, be able to use any patent, whether foreign or domestically owned. It would be well for us to have affirmative legislation on the subject.

[Here the gavel fell.]

Mr. BOREN. Mr. Chairman, I move to strike out the last four words.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. BOREN. I yield.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. VORYS of Ohio. Reserving the right to object, I would like 5 minutes.

Mr. CANNON of Missouri. I modify the request and make it 10 minutes, Mr. Chairman.

Mr. HARTER. Reserving the right to object, I would like to know how much this section includes? Where does the section end?

Mr. CANNON of Missouri. I should have said paragraph, Mr. Chairman; we are reading the bill by paragraphs.

The CHAIRMAN. The paragraph ends on page 5, line 18.

Is there objection to the request of the gentleman from Missouri that all debate on this paragraph and all amendments thereto close in 10 minutes?

There was no objection.

Mr. BOREN. Mr. Chairman, I want it clearly understood that my remarks are not to be interpreted as in disagreement with what our majority leader just said. I want it clearly understood that I have no intention to deprecate or take anything away from the acclaim that his remarks merit. I, too, as much as anyone in the Congress, believe in complete unity in advancing our war effort; but when I picked up the morning paper and learned from the press that the leadership had decided—notwithstanding that in my judgment Congress has plenty of work to do—not to do any work for about 2 weeks. I felt that there were grounds for disunity in that plan itself. I certainly cannot condone that program. I am not in accord with that plan. I do not care if the leadership or who it is that does not approve of what I have to say in opposition to a recess. I rose here about a year ago and objected to a recess of the Congress because I felt that then was the proper time for us to enact legislation to curb labor practices, especially strikes, that were hampering our war effort. We still need to act on that and other problems.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield at that point?

Mr. BOREN. I yield.

Mr. McCORMACK. And I say on my part in discussing this, that no matter what my friend's views are I have a profound feeling of respect for him. The gentleman and I seldom disagree, but even in disagreement I respect his views.

Mr. BOREN. I regret if from what I have said any inference of criticism of our distinguished majority leader is drawn. I have no such intention. I only want to say, Mr. Chairman, that I am in full accord with everything we can do for unity, which means unity of work toward the winning of the war; but I am opposed to anything that might even tend to slow up our war work.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BOREN. I yield to the gentleman from Pennsylvania.

Mr. RICH. The House passed the Smith amendments that would prohibit strikes. It now lies dormant in the other body.

Mr. BOREN. The gentleman is absolutely correct, but we have other work that needs to be done, and I feel that we ought to be expeditiously about our country's business.

This is no time for a recess. We cannot afford any lost motion. Delay, dila-

tory tactics, interference by racketeering such as exacting exorbitant fees as a condition of employment or exorbitant profits on war contracts are throwing our war effort out of gear. These evils must be dealt with now. Now is the time to stop the sabotage of our war efforts.

There will be no better opportunity 2 weeks from now than the opportunity that exists today.

The pendulum of the clock swings on and with every stroke it chimes a clarion warning now, now. Two weeks of wasted time may be the margin of difference to change that "now, now" to "too late, too late," my colleagues. Do you not remember that Bible story of old that stands as a monument of challenge to people everywhere—that story of him who lost his life when he said, "Go thy way, and when I have a more convenient season I will call thee unto me"?

My colleagues, there will be no more convenient season than today. It was only a matter of hours that the Austrian coup was effected. Czechoslovakia was crushed in a few days. Poland did not have weeks to wait. Two weeks would have meant a great deal to Singapore, to the Dutch Indies, and even now to Australia. Japan will not wait 2 weeks.

How can any citizen of the Nation that has experienced Pearl Harbor, Wake, Guam, and Manila close shop for 2 weeks?

Mr. Chairman, America is the last lighthouse in the surge of the world's storms, and I, for one, cannot sleep with things undone that should be done, that must be done, that can be done, even in 2 weeks.

It is not possible for me to be on all the battle fronts of the world at this hour, but I want every soldier on Bataan, in Iceland, in Australia, on the high seas, and at every point of conflict to know every minute, every hour, every day, I am dedicating my every energy toward the work that must be done to keep the life lines to them intact and thus insure the liberties of the world.

Mr. Chairman, I must say frankly from an earnest and anxious heart that I am bitterly opposed to any recess, formal or informal. Uncle Sam can use these 2 weeks of our endeavor.

Mr. Chairman, I yield back the balance of my time.

Mr. VORYS of Ohio. Mr. Chairman, it is my purpose to call the attention of the House to what I think is an historic, a significant action by our Appropriations Committee on this bill, one which will soon be ratified by this body. I think this is the first time since Pearl Harbor that there has been any reduction of an appropriation for military purposes.

We are told there is a reduction of about 1 percent in the Army and Navy portion of this bill, and a reduction of 20 percent in the nondefense activities. Let me point out that the 1-percent reduction in war appropriations represents a cash reduction in appropriations of about \$208,000,000, while the 20-percent reduction in nondefense activities represents a cash reduction of about \$22,000,000. It is not my purpose to discuss the wisdom of either of these reductions. The nature of the reductions have been de-



scribed. What I wish to point out is that here is an instance where, in my judgment, the Congress is ahead of public opinion. Public opinion is talking about the reduction of nondefense expenditures. Congress knows that the important thing, if we are to make any substantial reduction in expenditures, is to watch our war expenditures. We should make all possible reductions in our nondefense spending, but the total so saved will not amount to much, compared to the volume of our war spending, and we can make great savings in our war spending without hampering our war effort. The Committee on Appropriations must be practically the sole judge on the question of military expenditures because much of the testimony is in secret, and the rest of the House must rely almost exclusively upon their judgment. The Appropriations Committee, in going through the defense-offense expenditures—the war expenditures—which we should make, is, we hope, holding those down as best it may. I believe they should investigate the astounding failure to reduce the unit cost of arms as production rises. This reversal of the whole trend of American production just does not make sense. Only a small reduction in the war expenditures will far exceed any possible reduction that could be made in nondefense expenditures. As I say, the significant thing is that while there is no disposition here to retard or hamper our war effort on the part of this committee, and while I understand that part of these expenditures in which the \$203,000,000 is involved have been postponed, or are to be further considered; the reduction shows that the Congress is attempting to hold down as much as it can with efficiency and propriety the defense-offense—the war expenditures. These are, for the 3 years covered in this report, 1941, 1942, 1943, more than 10 times the nondefense expenditures. So that if we were to wipe out all of our nondefense expenditures it would only amount to a reduction of 10 percent in our total expenditures. I hope that this is a sign that the Congress, acting through its Appropriations Committee, will attempt to preserve proper control over the amount that we pour out for our war effort, and that this sign, no bigger than a man's hand at this time, a 1-percent proposition, may give promise of what is to be done from now on. This will need to be done if we are to make bearable the money burden, and money is here only a measuring stick for human effort—the human effort for carrying through our war effort to a successful conclusion.

[Here the gavel fell.]

The pro forma amendments were withdrawn.

The Clerk read as follows:

For Air Corps, Army, \$8,515,861,251.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, according to this section that has just been read, something over \$8,000,000,000 is being appropriated for the Air Corps of the Army and I understand the bill also carries some money for the C. A. A. I am glad to see this expansion in our air program, I

am for it, and I think it is long overdue. Airplane production is rapidly moving forward. We will soon obtain mass production of planes. The experience of many other nations would indicate that we need about 50 men well trained in the different and various branches of aviation for each plane, hence an air force of about 50,000 planes calls for a force of manpower of two and a half million trained men.

I have taken this time that I might inquire of the committee just briefly something about what is contemplated in the way of expansion in our air force, and I direct my questions to the chairman of the Committee on Appropriations. I would like to know what this bill provides by way of more flying schools? Does it anticipate the establishment of more of them?

Mr. CANNON of Missouri. These amounts cannot be segregated, but the bill provides for the establishment of very many more schools and for extension of existing schools for this purpose throughout the country. For reasons which are obvious, the site and location of the schools cannot be designated, but provision is made to insure the training of sufficient men to handle the equipment as rapidly as fabricated.

Mr. CURTIS. Does the gentleman know something of the type of these schools? Are they additions to our basic flying schools of the Army?

Mr. CANNON of Missouri. It is the usual flying school, up to the advanced course stage, similar to those already in operation.

Mr. CURTIS. What does the program call for in the way of schools for airplane mechanics?

Mr. CANNON of Missouri. We are making ample provision for the training of mechanics and ground men. We are providing facilities for additional technical schools and for the instruction of about 10,000 men in private schools in addition to those under instruction at this time. I am speaking of aviation mechanics only. We also are providing for the radio side of it.

Mr. CURTIS. Of course, I do not want the chairman to divulge anything that should not be stated. I am sure we are all agreed upon that. I wonder if any plans are under way to extend any type of aviation training to students in high schools?

Mr. CANNON of Missouri. There is no provision in this bill for anything of that sort.

Mr. TABER. Will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from New York.

Mr. TABER. The aviation schools for the young men are very largely under the control of the Civil Aeronautics Authority. There is a very considerable expansion there, more expansion than heretofore. The Army itself can hardly go into the question of taking boys in high schools and training them. They would have to be handled by the civil units.

[Here the gavel fell.]

Mr. CURTIS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska [Mr. CURTIS]?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. HINSHAW. Mr. Chairman, reserving the right to object, will the gentleman make that 4 o'clock in order to give me 2 minutes?

Mr. CURTIS. I will yield to the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

Mr. RANDOLPH. Will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I think it is highly appropriate that the gentleman call attention to the need for mechanics and technicians to maintain our flying aircraft as well as our civilian planes. May I say at this point for the RECORD that earlier this week the House unanimously passed an amendment to the Civil Pilot Training Act to include mechanics and technicians. I trust the Senate will give speedy consideration to the bill and pass it at an early date.

Mr. CURTIS. I recall that bill and I appreciate the gentleman's activity in connection with it.

May I say in regard to high-school students in connection with our aviation program that I realize the impracticability of the Army doing this, but it seems to me if we are going to win the war, we will have to have supremacy of the air, and we are going to have to have it in a large way. We have countless thousands of American high-school boys who will be great aviators, but they have never had a chance to even ride in a plane. Something ought to be done to harness that ability early so that it can be developed. Where we have heretofore trained 50,000 pilots, we must train 500,000. We need more fields, more mechanics, more schools, and more of everything. I think we should start this training in our high schools.

What does this bill provide in the way of increasing our Army fields in addition to the schools that may be provided?

Mr. CANNON of Missouri. I will say this, that it provides for expanding personnel instruction in complete harmony with the airplane program, but I regret that I am not in a position to disclose to the gentleman the exact information.

Mr. CURTIS. I appreciate that.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from California.

Mr. HINSHAW. The gentleman from Missouri just mentioned that 10,000 additional mechanics might be required. I may say to the gentleman that if we are to have a 50,000-airplane program, since the Army requires not less than 20 mechanics and technicians for each air-



plane, this means a total of 1,000,000. In order to supply this very large number, we shall have to use every available training facility in the United States.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I rise a second time to say that what the gentleman observes about the need for training in aviation for high-school students is very important. Here in the District of Columbia we have started this year courses, optional to be sure, for high-school students. I think that should be done all over the United States.

[Here the gavel fell.]

Mr. CURTIS. In order to obtain mastery of the air we must expand our air program and do it now. We must think in terms of millions of pilots, not thousands. This program should be carried to our high-school boys.

The Clerk read as follows:

Military posts: For construction of buildings, utilities, and appurtenances at military posts, \$4,358,118,283.

Mr. HARTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARTER: On page 6, line 13, strike out "\$4,358,118,283" and insert in lieu thereof "\$4,341,701,283, no part of which shall be used for increasing the facilities or area of Stewart Field, West Point, N. Y., including outlying areas."

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 21 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HARTER. Mr. Chairman, this amendment proposes to delete from the total sum of this item of military posts some \$16,400,000 for the development of Stewart Field, adjacent to West Point, N. Y., which is included in the item with the view to undertaking voluntary flight training at the Military Academy and qualifying cadets as pilots prior to graduation.

Let me preface my remarks by saying there is no one in the House, I believe, who is more fully conscious than I of the value of military air power and the necessity for this Nation to acquire supremacy in the air in the several theaters of war in which we may be engaged, but the inclusion of this amount of money in this deficiency appropriation bill comes without any specific legislative authorization whatever. This matter has not been laid before the Committee on Military Affairs of the House of Representatives to determine the policy and the advisability of making this change, a most radical one from the present curriculum of the academy.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. HARTER. I am not ready to yield right now. My time is very limited.

Under this provision, as I understand from the reading of the hearings relative to this particular item, the present plans are to have the flying training given to

the cadets who volunteer for that training during the last 2 years of their course.

We must understand that at the time the Government will have a great investment in all those young men in the Military Academy, who will have completed 2 years of their training before volunteering for this flight training.

What is the situation with reference to weather conditions in and around West Point? All of us know that that territory is subject to a great deal of fog and cloudiness. The terrain is mountainous and rolling. It seems to me we should give consideration to the safety of these young men. After years of experience in building up a very substantial air force, we have found that certain localities in the Southwest and South and west coast areas furnish the best climatic conditions under which Air Corps pilots can be trained. Now we are going to take the cream of these cadets and subject them to flying training in a part of the country most unsuited for such operations.

It will be argued that we must have a larger air force, we must have more pilots. What proportion do these West Point cadets constitute of the total number of men we are going to have as pilots? We are training pilots at the rate of nearly 30,000 a year now. We expect to raise that number to 50,000 a year before this year is over. Yet the men in West Point at the present time number 1,831. If half of that number elected to take the pilot training, you would have about 400 in the upper two classes at the academy taking this particular training. In other words, you would graduate about 200 cadets each year from the Military Academy who had pilot training.

This is a radical departure from our system of training heretofore. It appeals to me that it is far more democratic to follow the system that is in existence at the present time of graduating these men from the Point, then letting them go to the Air Corps training centers, where they are infiltrated among the young men who come from the schools, colleges, and the universities. The number of graduates from the Military Academy is small, but the advantage of them mingling with the youths from civil life after their 4 years of military training, I believe, is of great value to both groups. You must have a leavening of cadets in each of these classes so that they may get the spirit of the young men who come from the colleges and universities in order that we may have to the fullest extent a really democratic Air Corps.

The Military Affairs Committee has been completely bypassed in the consideration of this legislation. Why have legislative or policy-making committees if they are to be ignored by the War Department and the Appropriation Committee?

The reading of the hearings upon this item leaves one more confused than ever. Are these men to be sent to civilian schools for their primary training, as are all other aviation cadets, or are we going to set up a special primary school at West Point for these cadets alone?

At one point in the hearings a Colonel Weikert, on page 160, says:

During his first stage he is living with aviation cadets and should draw the same pay, because we have to pay for his board and quarters at that place.

This would indicate the primary training would be with other aviation trainees and at a place other than West Point. No details are available as to the type and extent of the facilities at Stewart Field which the sixteen million plus is to provide.

It may be that a full and careful inquiry will show the Army correct in its request for these funds for such training at the Military Academy, but Congress and the people, even under present conditions, are entitled to have these matters properly and fully considered.

[Here the gavel fell.]

(Mr. HARTER asked and was given permission to revise and extend his remarks in the Record.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. COSTELLO].

Mr. COSTELLO. Mr. Chairman, this amendment provides for eliminating over \$16,000,000 from this bill. If you read through the hearings, all you will find on this subject is that \$16,000,000 is included to construct buildings on an air field some 12 miles or more north of West Point. There is no explanation of the character of the buildings or the necessity for the construction of \$16,000,000 rather than \$10,000,000 worth of buildings, or any other amount. For \$16,000,000 you can build one of the largest Air Corps flying bases in the country. March Field in California or Maxwell Field in Alabama originally did not cost over \$10,000,000, yet to train approximately 200 or 300 pilots a year out of West Point you are going to spend \$16,000,000.

What effect, I ask you, is that going to have on the regular training course at the academy? You are going to take the students there out in the morning by bus and run them out to this flying field and have them fly. Some will be there one day and some another. How this is going to affect the course of studies at the academy was not directly inquired into. You are establishing a new policy of making every cadet at West Point go through a very definite and a very elaborate program of training in aviation, far more comprehensive than the present course in aviation which he is already receiving, far more than you give him regarding infantry, cavalry, or coast artillery. The program at West Point provides for a general course and right now they are getting flying training. Whether it is necessary to provide for 2 years of training in which they go out and fly every day has not been looked into. The advisability of this program is certainly subject to question. Moreover, what is the weather condition up there? You are putting this field in a long, narrow valley, 20 miles wide, with rolling mountains and hills on all sides of it. It is a very dangerous country and yet you are proposing to put a flying field there, to train young inexperienced cadets. The



wisdom of this program has not been considered. The justification of the \$16,000,000 cost has not been made.

Mr. Chairman, I trust the amendment will be accepted.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. TERRY] for 2 minutes.

Mr. TERRY. Mr. Chairman, I want to congratulate the Army upon its very early realization, after what has been going on in Europe, Asia, and the Far East in air warfare, of the advisability of establishing a flying school for cadets at West Point. We have men there who are learning to be artillery officers, infantry officers, cavalry officers, and engineer officers. By the same token we should develop some of these men as flyers. It is contemplated that the flying course will be the last 2 years of the 4-year West Point course. For the first 2 years the students will be given observation training, and after 2 years those boys who wish to take the course in flying may do so.

They have at West Point or near there Stewart Field. It was originally a municipal field that was owned by a city in that neighborhood. This has been turned over to West Point as a landing field, and one million and a half of W. P. A. money has been spent on it. They contemplate acquiring 100 additional acres of land there to extend the flying field, and this acreage will cost \$150 an acre, or \$150,000.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. TERRY. I am sorry, but I only have 2 minutes.

In addition to that, there will be \$16,000,000 for the flying facilities there—the garages, the administration building, the runways, and other extensive equipment and facilities that have all been figured out by the West Point authorities. This flying program for West Point is urgently asked for by General Marshall, the Chief of Staff, and by General Arnold, the head of the Air Corps. I ask that the amendment be defeated.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized for 1 minute.

Mr. TABER. Mr. Chairman, the inclusion of this item is an effort to modernize our Army. Unless officers are trained to fly, and unless they know how, they are no good to the Army of the future. If you are going to abolish West Point and move it somewhere else, that is one program; but unless you are going to establish this flying field up there, you have no hope of modernizing your Army and having the men who are going to head our Army in the future be of any use to us in organizing it and perfecting it.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I think there is merit in this proposal to have some aviation activities at West Point. I think the course there is a little outmoded and ought to be brought down

to date, but the thing I do not like about this is the way you are trying to do it. I am a member of the Board of Visitors to West Point and much interested in its success. The gentleman from Ohio [Mr. HARTER], whom all regard as one of the strongest and sanest men in this House, probably knows more about aviation than anyone in the House, because he has made a special study of it. This House is always safe in following his leadership. It seems strikingly peculiar to me that this matter should be tacked onto an appropriation bill with \$16,000,000 to provide one of the biggest air fields in the Nation without hearings before the legislative committee.

I am beginning to wonder what is the use of having legislative committees such as the Committee on Military Affairs. The Committee on Military Affairs, headed by the distinguished gentleman from Kentucky [Mr. MAY], has had hearings on many matters of national defense for months. Yet this item has never been presented to the committee. Now some of the Members are talking about recessing for 2 weeks, to which I am opposed, because there are plenty of matters with respect to national defense just like this one that could be considered. The Committee on Military Affairs will meet next Tuesday, and the subcommittees of that committee are in almost daily session. A matter of this sort could be considered by that committee and reported out after reasonable and proper hearing and then brought to the floor of this House for fair and just action by the House. This is no time for adjourning or recessing, and I am opposed to either. The Committee on Naval Affairs should report out their 40-hour bill and let us vote on it. We will send it to the Senate whether they act on it or not. We will at least have done our duty.

Randolph Field is called the West Point of the Air, and then there is March Field, in California, and Maxwell Field, in Alabama. These different schools are turning out 30,000 pilots a year. Now overnight they say they need a great air school at West Point. The United States Military Academy is the greatest school of its kind in the world. I am its friend, and I want to see aviation there. But I do say the Committee on Military Affairs is entitled to some courtesy and consideration in the matter. We ought to appoint some more cadets to West Point. We ought to fill up the vacancies there. The school could accommodate 550 more boys by putting 3 in a room. I am going to sponsor and urge some legislation on the subject.

Mr. COSTELLO. And the cadets at West Point are now getting aviation training at Mitchel Field each year.

Mr. THOMASON. Of course, and they are getting it at all the fields. We must do everything possible for aviation. I have for years urged such a program. This war will likely be won or lost in the air. I want us to have the finest planes of any nation in the world, and more of them. This means we must have pilots who are qualified and well trained. Any such program will have

my active support. I am only objecting to the way you are doing it and not in keeping with the rules of the House.

Mr. POWERS. Mr. Chairman, very seldom do I find myself in disagreement with the able membership of the Committee on Military Affairs of the House of Representatives, but let us be frank and honest and mean it. The War Department should have gone to the legislative committee, and the War Department should have justified this expenditure, or at least this change of policy, at West Point, and then have asked to have the money put into the bill, but the money is in the bill now, and it has been urgently requested by General Marshall, and urgently requested by General Arnold, and also it has been justified by General Wilby, the Superintendent of the academy. This is what it does. It is not a mandatory proposition. It is a proposition to allow any cadet in the academy to take this air course. If that is allowed, and this amendment is defeated—and I hope it is—it will mean that every year infiltrating into our air force will be a certain number of graduates of the Military Academy. It will mean that every year a certain number of these men will go directly into the air force, who have a basically rounded military career, a basically rounded knowledge of field artillery, of infantry, of cavalry, of every other branch of the Army.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. POWERS. Yes.

Mr. TERRY. It has been stated by those in favor of this amendment that there were no hearings on this subject. There are 10 pages of hearings.

Mr. POWERS. Yes; there are 10 pages of hearings, and it has been testified that it is the greatest forward step taken by West Point in 100 years.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. POWERS. Certainly.

Mr. SPARKMAN. Reference has been made by the gentleman from New Jersey, and also by the gentleman from Arkansas [Mr. TERRY] to this being earnestly requested by Generals Arnold and Marshall. I have read the hearings and I do not find where either one appeared before the committee in connection with it, and while everything that the gentleman says may be true, yet these are matters that ought to have been passed upon by the legislative committee.

Mr. POWERS. Oh, I cannot argue that with the gentleman. General Wilby, of the Military Academy, justified it, and General Arnold spoke to every member of the committee, with the exception of myself; General Marshall called the committee while it was in session, and General Marshall is a non-West Point man.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. POWERS. Certainly.

Mr. MAY. As chairman of the Committee on Military Affairs I say if given the opportunity I will call the committee next Tuesday morning, and it will pass this legislation out, if it is required, but I do object to any such proposition as this.



Mr. POWERS. Mr. Chairman, that is a matter about which I cannot argue with the gentleman.

Mr. ELSTON. Was any reason given by the Committee on Appropriations as to why they should not go before the Committee on Military Affairs?

Mr. POWERS. The question was asked, "Is not this a change of policy?" And the answer was "Yes."

Mr. MAY. Mr. Chairman, no longer than this week we tabled a bill that the Committee on Appropriations should have handled, in order to give them a chance to do so.

Mr. POWERS. I cannot argue that fact with the gentleman. I want to be fair and truthful, and I am telling you that General Marshall and General Arnold urgently requested the appropriation, and I hope that the Harter amendment will be voted down.

Mr. HARTER. Mr. Chairman, will the gentleman yield?

Mr. POWERS. Yes.

Mr. HARTER. I do not know whether the gentleman was in attendance at the hearings of his committee or not.

Mr. POWERS. The gentleman was there every day and well into every night.

Mr. HARTER. One of the members of the committee, the gentleman from Alabama [Mr. STARNES], made the suggestion on page 163 of the hearings—and I read from the hearings:

Mr. STARNES. That is going to bring about additional cost. I am afraid you are embarking on something here that ought to be considered by the military legislative committee of the House and discussed very fully.

Colonel WILBY. What we are trying to do, really, is to bring the Air Corps closer to the Army than it would be if we do not do this, Mr. STARNES; that is what it will bring to the Army; because we are going to get well-rounded cadets in the Air Corps, which this large expansion of the Air Corps today has prevented.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, let me repeat what my colleague the gentleman from New Jersey [Mr. POWERS] just said. There is no question but what this should have been brought before the Military Affairs Committee, so we will not talk about that any more. We agree with you 100 percent. But things have changed in the past few months since Pearl Harbor. I do not think, if we had not had Pearl Harbor, that this would be in this bill at all. I am sure it would not be.

How many have been to West Point and have been up to Stewart Field? It is about a 15 minutes' ride above West Point. There is a small airfield there now—so small that you could not get down on it with a modern bomber.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. MAY. Did you develop in the hearings how long it would take to construct this field—to get it ready to train at West Point?

Mr. SNYDER. Yes.

Mr. MAY. How long?

Mr. SNYDER. Just let me come to it, will you, please? The only logical place adjacent to West Point where an expansion could be made for an airfield is at Stewart Field. They can and will within the next 8 or 9 months, if they get the money, have this field sufficiently completed for pilot training.

Mr. MAY. Will the gentleman yield?

Mr. SNYDER. Not just now, if you please. The inference I got from the previous discussion was that the boys at West Point would not continue to get the same type of training that they are getting now. This is all extra. They will get the same course, academically speaking, that they are getting now. The flight training will be entirely extra.

Mr. HARTER. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. Not just now. I told you I would not question the right of you men to get mad about the matter of jurisdiction. I want to say that General Arnold called me up about this proposition and said this was one thing he was interested in, above all. This is the first time General Marshall ever called me about any pending proposition. He called me personally during our hearings and he said:

If there is one thing that is of vital importance, it is that pilot training matter at West Point.

Mr. HARTER. Will the gentleman yield?

Mr. SNYDER. I yield.

Mr. HARTER. Does the gentleman remember the statement he made in the hearings at page 132 in reply to General Robins:

It just makes me sick to look at these figures. What type of construction, as a general rule, is contemplated at all of these places?

You were talking about this expansion at Stewart Field. What disturbed you over the figures that morning? What did you not like about them that made you sick?

Mr. SNYDER. At Stewart Field?

Mr. HARTER. Yes.

Mr. SNYDER. I was referring to the whole construction matter, not to any specific project.

Mr. HARTER. I do not see any explanation here about the buildings except \$16,000,000.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. MAHON. Is it not true that at innumerable places throughout the United States we are spending more than \$16,000,000 on construction projects?

Mr. SNYDER. That is right.

Mr. MAHON. And is it not true that we were told this would be the most forward-looking step adopted by our Army in a hundred years?

Mr. SNYDER. That is right.

Mr. MAHON. Is it not true that those who are looking toward the future security of this Nation should think twice before voting to eliminate air training from West Point?

Mr. SNYDER. I agree with the gentleman.

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. HARTER].

The question was taken; and on a division (demanded by Mr. HARTER) there were—ayes 39, noes 56.

Mr. HARTER. Mr. Chairman, I ask for tellers.

The CHAIRMAN [after counting]. Fifteen Members have arisen, not a sufficient number. Tellers are refused.

So the amendment was rejected.

The Clerk read as follows:

Construction and repair of hospitals: For construction and repair of hospitals, \$775,000. In all, \$5,306,163,883.

Mr. COOLEY. Mr. Chairman.

The CHAIRMAN. For what purpose does the gentleman from North Carolina rise?

Mr. COOLEY. I move to strike out the last word.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman and members of the Committee, we now have under consideration a national-defense measure. Upon the passage of the pending bill many of us are looking forward with pleasure to a brief visit home. We are going home to face criticism, criticism which is generated by a general unrest which exists in the country today. All of us have received numerous communications all of which indicate the great unrest which exists in America today. I am conscious of this situation and I am quite sure that you are. I have today listened with great interest to many very fine speeches which have been made by able and distinguished Members of this House during the general debate on the pending measure. Many speakers have referred to the paramount importance of an all-out war effort and many of them have referred to the deplorable situation which exists in the world today. I know that I need not tell you that we are living in an unhappy world and that a belligerent spirit and a reckless and rapacious tide of violence is sweeping across the earth, crushing out the ancient institutions of freedom. I know that I need not tell you about the intriguing schemes and imperialistic ambitions which have caused men and women in other parts of the world to renounce their belief in the soundness of democratic government and to lose their faith in the ability of men and women by their own good judgment to govern themselves. The revelations of each hour and of each day and of each night give rise to solemn and disturbing thoughts and reflections.

I know that you understand the complexities of our present situation, but I rise for the purpose of propounding certain questions to the membership of this House.

Is any Member of this House conscious of anything that this House of Representatives has done which has resulted in impeding the progress of the war effort? Is any Member of this House conscious of anything that this body could have



done which has not already been done? I pause for an answer.

I know and you know, and it is time for the membership of this House to let the country know, that every bill which has been reported by the Naval Affairs Committee, the Military Affairs Committee, the Appropriations Committee, and, for that matter, every other committee of the House, which had for its purpose the building of a war machine sufficient to crush the Axis forces, has been appropriately considered and very promptly passed by this body. If there is anyone present who challenges the accuracy of this statement, I pause for the purpose of permitting the Member to stand in his place and point out wherein the membership of this House has failed.

I know—and I want the country to know—that this Congress is earnestly anxious to do everything within its power to expedite the all-out war effort, yet the country seems to feel that Congress has been guilty of dereliction and on account of a lack of information a general and unjust indictment has been leveled at us. We appreciate just as much as some of our critics appreciate the fact that the time for dynamic action is at hand and that the national defense program is of great and paramount importance. We appreciate the fact that upon a prompt and proper solution of the great problems of production will depend the ultimate success of our war effort, and upon the success of our war effort will depend the survival and the perpetuity of our system of government. We likewise appreciate the fact that this is no time for selfish gain. This is no time for racketeering or profiteering, and this is no time for strife and strikes in vital industries.

Eighteen months before Pearl Harbor the House passed and sent to the Senate amendments to the National Labor Relations Act. This bill died a natural death in a pigeonhole in that body.

On December 3, four days before Pearl Harbor, we passed and sent to the Senate the Smith bill which was a bold effort on the part of the House to solve some of the problems growing out of labor disputes. This bill has been pending in the other body since December 8 but for some reason, no action thereon has been taken.

The House Naval Affairs Committee is now considering another bill dealing with the subject of labor disputes and controversies but we are advised by the chairman of the Naval Affairs Committee that this bill will not be reported to the House before April 13.

The laboring men of America must be inspired by a patriotic zeal and they must furnish the tanks and guns, the battle-ships and bombers, and all of the other instrumentalities of defense and death which are needed by the fighting men of America and our gallant allies. It is neither the force of law nor the fear of punishment that causes the sons of America to fight and to bleed and to die in the cause of freedom. It is their love of their country and their country's cause that inspires them to heroic deeds. We cannot by the mere enactment of laws win the conflict in which we are now engaged. The laws we here enact will not in themselves bring victory to those who are dy-

ing in the ranks of freedom on the ramparts of the world. It will take the all-out effort of every union, bloc, and group in this country to bring the present conflict to a glorious consummation. [Here the gavel fell.]

Mr. MAY and Mr. KEEFE rose.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE] a member of the committee.

Mr. KEEFE. Mr. Chairman—

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield to permit me to submit a unanimous-consent request?

Mr. KEEFE. I yield.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 13 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KEEFE. Mr. Chairman, I was greatly impressed by the remarks of the distinguished gentleman from North Carolina who just left the floor.

We are about to pass a bill which involves over \$18,000,000,000 and will bring the total appropriations and authorizations for national defense up to over \$160,000,000,000.

Mr. Chairman, a great deal of the criticism directed by the people of this country toward the Congress and the administration is justified. A great deal of the uncertainty in the minds of businessmen and others arises, however, not as a result of actions of Members of Congress but from the administration and disbursement of these funds. I want to call your attention to a situation that is developing throughout this country that ought to command the immediate attention of those in charge of the expenditure of these funds.

I will give you an illustration of what I have in mind: One concern operating in the Minneapolis-St. Paul area has firm contracts today to build items for the Navy amounting to \$140,000,000. In figuring a wage scale applicable to the units involved in the production the Navy did not take the wage scale that prevailed in that area but took the wage scale prevailing in naval establishments in Philadelphia, Brooklyn, and Washington, D. C. The result is that that concern is receiving a unit price for its product which enables them to pay wages that amount today to \$1.28 an hour for night work and \$1.16 for day work when the prevailing wage rates through that midwestern area is perhaps 75 to 90 cents an hour for the same class of work.

They are offering a contract of employment that will permit their employees to work on a basis of 75 hours a week, the employees receiving 92½ hours' pay or \$118.40 per week for night work and \$107.30 for day work. On a 50-week year this is \$5,920 per year for semiskilled labor for night work and \$5,365 per year for day work. Many of the men working in this plant are permitted to work as high as 84 hours a week and up to 92 hours a week, all receiving overtime over 40 hours. What is the result? The firms engaged in the war effort in my territory

have secured their business as a result of competitive bids and they have been required to figure labor in their unit cost at the prevailing wage rate stipulated under the provisions of the Walsh-Healey Act.

The result is that these concerns up in the Minneapolis-St. Paul area are siphoning away the skilled labor from down in our area, and attracting that labor up to the St. Paul-Minneapolis area where they are able to offer these attractive wage rates.

Mr. Chairman, that situation is growing up all over the country, and I have before me now confirming evidence from one of the manufacturing plants in my city that is devoted 100 percent to war work, making marine motors for the Navy, in which it is stated that if they lose a few more of their men they will have to shut down their plant. What is the Government doing about it? They have negotiated a stabilization of wage rates in the shipyards industry, but we have this situation going on in many other industries. In the Minneapolis area we find that the International Harvester Co. is seeking 2,500 additional men, the Minneapolis Moline Co. wants to hire 4,000 additional men, the Minneapolis Ordnance Plant, 18,000 additional men, and the Northern Pump Co., the company I just referred to in these remarks, is jumping their employees from 600 to 6,500.

This problem should attract the attention of those who are letting these contracts and not destroy the effort in the communities that are compelled to pay the prevailing wage rate. The head of one concern clearly put the problem before me in the following language, and I quote:

In other words, if this situation is allowed to continue; in fact, if the present situation is not corrected, it apparently will become necessary for business to pay wages of five to six thousand dollars a year for semiskilled labor, and up to and over \$9,000 a year for skilled labor and departmental foremen. In my opinion, that is no longer a start toward inflation—it is just about the peak.

What the solution is I don't know. But, among others, it might be advisable to restrict all defense manufacturers to employ all of their labor through the United States employment bureaus throughout the country. If this were done some control over pirating could be put into effect.

Personally, I wish that all prices would be frozen, not only material prices, but salaries, wages, profits, farm prices as well, right down the line. If this can be done, still leaving room for some bonus or incentive for increased production, such as a certain percentage of profit on all war business regardless of the volume, the bonus for salaried employees and wage earners for increased production, plus a cost-of-living bonus as the cost of living increases, I think we would solve a great deal of our problems.

Mr. Chairman, pious expressions of hope and intentions from the contracting officers of the Army and Navy will correct this evil—determined, offensive action is necessary on this front if we are to achieve necessary production.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. MAY].



Mr. MAY. Mr. Chairman, but for the fact I was precluded from addressing the Committee on the amendment offered by the gentleman from Ohio [Mr. HARTER], which proposed to strike out the \$16,000,000 appropriation for the Steward Field near West Point, I would not have asked for this time to speak to the Committee.

May I say that for more than 2 years before the Congress declared war, the House Military Affairs Committee had anticipated the needs of this country and had started programs of legislation on its own accord, as illustrated by the strategic raw materials bill and other bills, which the War Department did not sponsor. In the 2½ years that have passed, there has never been a time when the War Department asked for legislation that it did not get it promptly.

While I am not here to throw rocks at my colleagues or to take issue with the Appropriations Committee, I do intend to say that I resent the acts of the Appropriations Committee and the War Department in completely ignoring the House Military Affairs Committee, in view of the fact that no later than last week, when we were notified that the Appropriations Committee had decided not to appropriate money for the purchase of any further real estate other than that absolutely essential, we tabled a bill that proposed to buy real estate to go along with the House Appropriations Committee. Notwithstanding the fact that we passed legislation 2 years ago to authorize the construction of an Army medical library and museum, where there are \$30,000,000 worth of the most valuable books in the world, and notwithstanding the fact that there had been appropriated only \$150,000 for engineering and architectural work, they disallowed that item this time and would not appropriate it. We made no complaint, although the Budget had authorized \$500,000 for the purchase of the real estate. I think in good conscience the Appropriations Committee ought not to put this legislative committee in the attitude of having to come up here and oppose something that the War Department through the back door asked for.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. I am not in sympathy with items of this character, and have always opposed carrying them in appropriation bills; only the exigencies of the situation and the insistence of the Department that this was an emergency matter prevailed upon us to include this paragraph in the bill.

Mr. MAY. I am sure the gentleman has stated his position correctly.

Mr. THOMASON. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Texas.

Mr. THOMASON. If that is the attitude of the distinguished chairman of the Committee on Appropriations, I am sure it is, and I accept it at its full worth, and if the Committee on Military Affairs is an important legislative committee, does not the chairman of that committee who now addresses the House feel that

the War Department, through its proper officials, owes the legislative committee the courtesy of presenting these matters to the legislative committee in order that full and adequate hearings looking to authorization may be had?

Mr. MAY. I agree absolutely with my colleague, who is my right hand or right arm on the committee, a very wise leader; I would not be surprised, however, if the War Department does not have some hearings on this proposal next Tuesday, notwithstanding the action of the Appropriations Committee.

Mr. COOLEY. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. As chairman of the Military Affairs Committee of the House, may I ask the gentleman if his committee has not promptly considered and reported to the House every national defense measure that has been recommended by the administration, and if the House has not appropriately considered and very promptly passed every bill which the gentleman's committee has reported?

Mr. MAY. Every word the gentleman has stated is the truth, and, in addition to that, may I say that no later than last week the War Department found itself haltered, hobbled, and string-tied for a little piece of legislation that had been reported by my committee. I came to the floor of the House, got it passed by unanimous consent, had it messaged to the Senate, followed it over there, and insisted it be passed the same day, and it was passed. In the face of all that has been done, the responsible officials of the War Department, whoever they were, that bypassed the Military Affairs Committee on this matter, ought to have an awakening of conscience, and I hope the high ranking military gentlemen in the gallery go down and tell their superiors every word I have said, and if they do not, the gentlemen can read the Record.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the question which we have been discussing is whether or not we shall provide money for Air Corps training at the United States Military Academy at West Point. Of course, for years we have provided for Air Corps training in a limited way for the men after they graduate from the Academy. We have trained the cadets in the arts of cavalry, engineering, and other subjects but not aviation. Our enemies must have smiled at the failure of this great Nation to incorporate aviation training in the basic course at West Point years ago.

I quote the following from the testimony of General Wilby, superintendent of the Academy, as shown on page 165 of the hearings:

Mr. MAHON. When was West Point established?

General WILBY. In 1802.

Mr. MAHON. And the methods of warfare have changed considerably since that time?

General WILBY. Methods change with the weapons.

Mr. MAHON. If West Point is going to keep pace with modern warfare it has got to be tops in the air?

General WILBY. Yes; it has.

Mr. MAHON. And if West Point graduates are going to have a dominant part in running the Army some of them have to be in the air and be Air Corps officers?

General WILBY. Yes, sir.

Mr. MAHON. And the best way to get them in the air is to train them at West Point while they are going through their regular training?

General WILBY. That is what I believe.

Mr. MAHON. You think this is one of the greatest forward steps proposed to be taken in a number of years?

General WILBY. For 100 years.

Mr. MAHON. I think you are right.

Mr. Chairman, as one of the members of the subcommittee which originally considered this item about which the gentleman from Kentucky has been speaking, may I say that I agree with him somewhat in his statement that the item should preferably have been first considered by the Military Affairs Committee; but we were not confronted with a theory in procedure, we were up against a proposition which required action. We were authoritatively told that this would be one of the most forward-looking steps taken in a hundred years by the War Department, and that immediate action was absolutely required. Therefore, we brought in the item and, under the circumstances, I think the gentlemen are justified in some of their criticism, but, on the other hand, I think the Appropriations Committee is justified in the position it took under the circumstances. And the House of Representatives is to be commended for its position in trying to get West Point out of the "horse and buggy" days, so to speak, and into the field of modern warfare where victories are won.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I rise at this time to pay my tribute to the gentleman from Tennessee [Mr. KEFAUVER], who I think has rendered the country a distinguished service today. He pointed out a short time ago that the testimony of Mr. Thurman Arnold has revealed the fact that there is some doubt whether or not the President of the United States and the Government have the unquestioned right to make use of any patents that may be in existence today, to break the hold of those patents, and to see to it that such processes can be used any place, at any time, and to any extent for the production of the necessary war materials.

The gentleman from Tennessee has introduced a special bill which, if passed, would clear the situation once and for all, and decisively. I just wanted to say that I believe he has rendered a real service and indicated a kind of leadership on matters of this type that is very good and constructive.

[Here the gavel fell.]

The Clerk read as follows:

ORDNANCE SERVICE AND SUPPLIES, ARMY

For ordnance service and supplies, Army, \$543,721,283.



Mr. CLASON. Mr. Chairman, I move to strike out the last word.

(Mr. CLASON asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. CLASON. Mr. Chairman, I am taking this time to point out to the Members of the House the fact that the subcommittee on military expenditures oftentimes adds to the amount the War Department is allowed by the Director of the Budget to ask for. I was interested in this particular item because it totals \$543,000,000 for the weapons with which we are supposed to win the war, while the cost of construction in the United States of buildings and other installations is about 10 times that amount, or more than \$5,000,000,000.

Sometimes Members of Congress are chided on the fact that they have cut appropriations which have to do with either naval or military expenditures, but I think the Members of the Committee would be interested in knowing that back in 1938 the situation was exactly the opposite. The War Department needed money with which to manufacture Garand rifles. At that time the total amount of money that had been appropriated and which would be expended up to October 1, 1938, slightly over 3 years ago, for Garand rifles would produce only 7,500 of those semiautomatic rifles; yet early in 1938 the Army was told by the Budget that the amount they could have was only a certain limited amount, less than it had asked for through the Bureau of the Budget. As a result, because these weapons were in the fourth priority, as the records show, it was necessary to cut the production of these semiautomatic rifles to 2,500 a year, and that would have been all that would have been produced of those rifles between July 1, 1938, and July 1, 1939, 2 months before this great war broke out.

As a result, I went before this subcommittee, and I am interested in telling the Committee here today that that committee unanimously, laying aside all questions of partisan politics or whether a person was a member of the Republican or the Democratic Party, said that they would see to it that funds were available to increase the amount for rifles by 400 percent, and would provide \$1,800,000 for new tools, dies, and equipment to make the Springfield Armory, where these rifles are manufactured, a first-class, modern institution.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Arizona.

Mr. MURDOCK. As a new Member in that Congress, I recall that on February 18, 1938, I was in the committee room at the same hearing, having gone there to present two other matters pertaining to preparedness. I compliment the gentleman now in the well of the House on making one of the best presentations I have heard since becoming a Member, in favor of this new semiautomatic rifle. Not being a military man, I knew little about it then, but I was convinced that day, and almost forgot the items I came to speak for in my enthusiasm to support his request. I can

confirm what the gentleman is saying about the attitude and action and the apparently unanimous consent his eloquence at that time brought forth in the committee in regard to the need for this remarkable new rifle.

If I may go a bit further, I have been glad to be informed by the highest military authorities that that rifle has long been in mass production and it has played a very important part recently, especially in the Philippine Islands in recent days. I think the gentleman from Massachusetts has had a remarkable part in bringing about that impetus in production which has led to such fine results.

Mr. CLASON. I thank the gentleman for his very gracious statement.

[Here the gavel fell.]

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. CLASON. May I point out also that as late as October 1, 1938, only 7,500 of these rifles had been built in a period of years, yet today they are manufacturing that entire amount in a single week at Springfield. This shows what was accomplished by reason of the subcommittee on military expenditures seeing to it that funds were made available to carry on the work which was then being advanced.

Even as far back as May of 1938 that rifle was on maneuvers in small numbers. A commander of a battalion on maneuvers reported to Major General Tschap-pat, then Chief of Ordnance, that some of these rifles on maneuvers fell overboard in a stream, were clogged with sand and, although the men had hardly any way of cleaning them, they were yet serviceable and were used throughout the maneuvers without apparent damage. Of course, I was particularly pleased when General MacArthur brought out the fact that while they are being used in the fox holes in the Philippines they often go more than a week without lubrication and render excellent service.

[Here the gavel fell.]

Mr. COOLEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, a moment ago I propounded a question to the very able and distinguished chairman of the Committee on Military Affairs, the gentleman from Kentucky, Mr. ANDREW J. MAY, and I should like very much now to propound a similar question to the chairman of the Committee on Naval Affairs, the distinguished gentleman from Georgia. I think the entire membership would be interested in the answer to the question, since it appears that there is a likelihood that some of us will go home this afternoon.

May I ask the distinguished gentleman if his committee has not promptly considered and reported to the House every bill that has been recommended to the Congress by the Commander in Chief of the armed forces?

Mr. VINSON of Georgia. In response to the inquiry of the distinguished gentleman from North Carolina, I desire

to advise the House that the Committee on Naval Affairs has promptly considered and made recommendation on every bill before the committee, except a bill I introduced today, and one yesterday, and we will take those up just as soon as we get to a committee meeting.

Mr. COOLEY. I would like further to ask, Mr. Chairman, if the measures reported by the gentleman's committee have not received prompt consideration and passage at the hands of the membership of the House.

Mr. VINSON of Georgia. The House has cooperated 100 percent in the speedy enactment of every naval-affairs bill that has been brought before it.

Mr. COOLEY. I would like to ask one other question of both the chairman of the Military Affairs Committee and the chairman of the Naval Affairs Committee and of the entire membership of the House. Do any of you know of any one thing that any one Member of Congress or any group of this House or even a majority of this House can do at this moment which would expedite the war effort?

Mr. MAY. Mr. Chairman, will the gentleman yield to me a moment?

Mr. COOLEY. I pause a moment for an answer and not receiving an answer, I yield to the gentleman from Kentucky.

Mr. MAY. I would like to say in answer to the query of the gentleman from North Carolina that I do not know of any single item of legislation that has been presented either by the House Military Affairs Committee or by the House Naval Affairs Committee that has not been considered very promptly and passed by the House.

Furthermore, I make this statement, subject to the approval of the distinguished chairman of the Naval Affairs Committee, and that is that as to the legislation that is now pending for hearing before his committee, the gentleman and myself have made an agreement that in order to expedite the early disposition of such matters we would consider the hearings of one committee—namely, the House Committee on Naval Affairs—without the necessity of duplicating them before the House Military Affairs Committee.

Mr. VINSON of Georgia. The gentleman from Kentucky is correct. May I say that there can be no valid criticism against the House of Representatives with reference to any legislation relating to the speedy and successful prosecution of the war.

Mr. COOLEY. I thank my friend from Georgia.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MOTT. The gentleman from Georgia [Mr. VINSON], of course, is too modest to admit it and much too modest even to say so, but the fact is, however, that so far as the naval program of the United States is concerned, the gentleman from Georgia began that program in the Naval Affairs Committee long before he ever had any requests from the Navy Department or even the Commander in Chief. Some of the most valuable naval legislation that has been



reported out of that committee was over the protest of the Navy Department itself. This is naval history. So, instead of being behind, the gentleman from Georgia is years ahead even of the Navy in the work of our Naval Affairs Committee.

Mr. COOLEY. I thank the gentleman for his observation.

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. RAMSPECK. Mr. Chairman, I approve heartily of all this "back patting" that has been going on here, because, as one Member of the House, I think I have taken about as much criticism as anybody else has in the last 60 days.

I went home last week and spent 6 days down in my district and made six speeches and talked to a lot of people. I do not agree with my friends who oppose a recess. I would vote tonight for a resolution requiring every Member of this House to spend 1 month out of each 4 months in his district every year in order that he might counsel with the people he represents and find out what they want to know and tell them the truth, because they are not getting the truth anywhere else. All of this talk about what the House has done in the way of expediting legislation is fine, and it is true, but the people are not hearing about it. All they are hearing is when they are sitting there with one ear glued to the radio listening to Mr. Kaltenborn say that the industries of this country are only working half time. What he meant, of course, is that they are only working 12 hours a day, but what my people thought he meant was that they were working only 4 hours a day, and they were very much upset about it.

I found out another very interesting thing. When I referred to that broadcast, a lady rose in the audience and said to me, "Why, Mr. RAMSPECK, you have a censor up there who passes on everything that is said over the radio and everything that is printed in the newspapers. I understood that because it was censored it had to be true." Of course, you and I know that they are not censoring anything that is said over the radio or anything written in the newspapers. Certain rules have been made as to what is considered military secrets, but no one passes on the matter in advance. So I want to make the suggestion to you gentlemen who are going home that you have the courage to meet your people face to face and tell them the truth.

Tell them only three one-hundredths of 1 percent of the seven and a half million people in war industries have been out of employment due to labor disputes since Pearl Harbor; tell them that you have three times as many people at work now as a year ago producing war equipment, and take with you that won-

derful address made by the gentleman from Missouri [Mr. CANNON] today, and give them some encouragement. They need it. They are discouraged, they are despondent, and they do not know the facts, because they are not getting them from the critics, who are day by day misleading the people of this country about the conduct of this war.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. MAY. I am scheduled to make an Army Day address in my district on the 6th day of April, and I propose to tell the people the truth from the ground up, and I am going to tell them what Congress has done.

Mr. RAMSPECK. I hope every other Member who goes home will do that. I am not concerned about whether or not the people in my district have lost faith in me, as an individual, but I say to you that if they have lost faith in the Congress, as a coordinate branch of the Government, that is a serious matter, and you know that some people in this country are trying to destroy the faith of the people in their Congress. They are also trying to destroy the faith of the people in the President of the United States. I am not talking now about the individual, but I am talking about the Commander in Chief of our Army and Navy. He is your elected leader until January 1945, and whether you like him or not, you ought to stand behind him and defend him and help him, and we ought to give our people the truth about this situation.

The Clerk read as follows:

In all, \$166,000: *Provided*, That all funds heretofore and herein appropriated for the fiscal year 1942 under the titles "Infantry School, Fort Benning, Ga.," "Instruction in Cavalry activities," "Instruction in Field Artillery activities," and "Coast Artillery School, Fort Monroe, Va.," shall be disbursed and accounted for as one fund under the title "Special service schools."

[Mr. VINSON of Georgia addressed the Committee. His remarks will appear hereafter in the Appendix.]

The Clerk read as follows:

Sec. 104. This title may be cited as "Title VI, Military Appropriation Act, 1942."

Mr. SPARKMAN. Mr. Chairman, I move to strike out the last word. I have asked for this time just now to call the attention of the committee to some matters that have been eliminated from the appropriations for the Army and also to try to point out some of the inconsistencies that the Committee on Appropriations have argued here this afternoon, with particular reference to the amendment submitted by the gentleman from Ohio [Mr. HARTER]. I think it should be made clear that those of us who voted for that amendment were not necessarily voting against that particular improvement, but we were voting against its inclusion in this bill at this time, until it had been adequately heard by the committee which had been set up under the rules of this House for the purpose of hearing testimony with reference to policies.

There were two items asked for by the War Department, and I remember hear-

ing they were urgent. I think the exigency—some one used that word as justifying the inclusion of Steward Field in the bill before us, stating that the matter was a great exigency—I think the exigencies of the matter were nothing as great in the matter of the improvement of Steward Field as they were in some other cases. At the best all that they can get from Steward Field is 200 pilots in 1 year out of 69,000. That is one-third of 1 percent. Yet they argue that the matter is so urgent that they could not go before the legislative committee.

I call attention to pages 7 and 8 of the report of the committee: The War Department did not ask for the establishment of an Army specialist corps, because the President under the powers he had set up that corps and asked the committee to make funds available. The committee refused to do so, and gave this as the reason:

The committee went into the matter rather exhaustively (hearings, pp. 182-204, pt. 2) and has not given its approval to the matter, primarily because the submission itself suggests the need of specific legislative sanction for disbursing funds for such activity, which, if true, removes the matter from the committee's jurisdiction.

They refused to appropriate money there, where the President and the War Department had asked for it. The War Department had been before our committee in regard to that particular activity and said it was urgent and that they needed it. The committee refused to appropriate the money for the Women's Army Auxiliary Corps, and I think they properly did so, but I call your attention to this statement by the witness for the War Department:

We wanted to start it immediately and not have to delay until estimates were processed and appropriations obtained. We hope that we shall require no more supplemental estimates this fiscal year.

Now the committee boasts of the fact that it omitted those items from this appropriation and the reason for it was because legislative sanction had not been given to those particular matters.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. MAY. It was said by the chairman of the subcommittee for civil functions of the War Department that it would take 8 months to build Stewart Field. Does the gentleman have any idea that the delay in getting legislative authority would have held up that program?

Mr. SPARKMAN. We could have gotten a bill out of committee and passed it and sent it to the Senate before the Senate could possibly act on this particular appropriation. The only point I want to make is this: That Congress intended, when it set up the various legislative committees, that those committees should be respected in their rights and prerogatives. It is not fair, it is not right for the Appropriations Committee of the House to take unto itself those rights and those prerogatives. I do want to plead in all earnestness that at least the Appropriations Committee be consistent in the arguments that it advances.

[Here the gavel fell.]



The pro forma amendment was withdrawn.

The Clerk read as follows:

Maintenance, Bureau of Ships: The appropriations under this head for the fiscal years 1942 and 1943 shall be available for repairs, conversions, and restorations on nonnaval vessels operated for naval requirements; and for the accomplishment of the purposes authorized by Public Law 280, approved October 24, 1941, amended by Public Law 446, approved February 10, 1942.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. CANNON of Missouri. Mr. Chairman, after consultation with gentlemen on the minority side, I desire to submit a unanimous-consent request. I ask unanimous consent that all debate on this bill and all amendments thereto close at 5:30 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. O'CONNOR. Mr. Chairman, I reserve the right to object.

Mr. RICH. Mr. Chairman, I reserve the right to object.

Mr. MAY. Mr. Chairman, reserving the right to object, I suggest also, if it is proper to do it and within the parliamentary power of the gentleman, that we eliminate further reading of the bill, with the right to amend it, and save time that way.

Mr. CANNON of Missouri. It is impossible to dispense with the reading of the bill, but we can close debate on it at 5:30 o'clock.

Mr. RICH. Mr. Chairman, reserving the right to object, I have an amendment on page 29. I want to make a point of order or offer an amendment. I take it that I will be given the privilege of doing that?

Mr. CANNON of Missouri. The gentleman will have that right under the unanimous-consent request.

Mr. O'CONNOR. Reserving the right to object, I have an amendment to propose on page 18, and I would like at least 3 minutes.

Mr. CANNON of Missouri. I merely ask that debate close at 5:30. There will be no limitation on amendments.

The CHAIRMAN. Is there objection?

Mr. HOBBS. Reserving the right to object, I do not believe we should be cut off this way. There are some amendments that are to be offered that are absolutely worthless and useless we have a chance to explain them. I think probably they will be, anyway, in the light of the fate of the Military Affairs Committee.

Mr. CANNON of Missouri. I assure the gentleman the committee will take no time at all.

Mr. RICH. Reserving the right to object, I want to know that when we place these amendments on there, we are going to have at least 2 minutes to discuss them.

Mr. CANNON of Missouri. I couple with my request, Mr. Chairman, the further provision that Members have 2 minutes on bona fide amendments.

Mr. O'CONNOR. Reserving the right to object, suppose there are more amendments than could be considered with 2 minutes to each amendment? What are you going to do with the surplus?

Mr. CASE of South Dakota. Reserving the right to object, I understood the chairman to add to his original request that each person offering a bona fide amendment would have at least 2 minutes.

Mr. CANNON of Missouri. That is correct.

The CHAIRMAN. That is correct.

Mr. THOMASON of Texas. Reserving the right to object, I know that the gentleman from Oklahoma [Mr. MONRONEY] desires to make some comments about the travel allowance. It would be necessary for him to move to strike out the last word. That is an important amendment. I would also like 2 minutes. I would like to know if that would be included?

Mr. CANNON of Missouri. I ask further that the gentleman from Oklahoma and the gentleman from Texas [Mr. THOMASON] be granted 2 minutes each.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I expect to make a point of order and I expect to argue it not too long, but I want the membership to understand that if we close debate, probably the gentleman would prefer to confine the debate to 20 minutes instead of to a given time.

Mr. TABER. If the gentleman will yield, I will say that his point of order will be conceded by the committee. It has already been talked over by the chairman of the committee and myself.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE] for 5 minutes.

Mr. KEEFE. Mr. Chairman, I feel I would be derelict in the duty I owe to the people I represent did I not call to your attention another fact that I have recently observed in connection with the expenditure of public funds out of the appropriations that we have heretofore made and are now making.

We all know the problem that small business in this country has to secure defense orders. We know the problems that are confronting those businesses that have not had a call to engage in the direct production of arms and munitions.

Let me illustrate the case of a large chair manufacturing company in my district. This is one of the largest manufacturers of chairs in the United States and has been in business for a great many years. This company is tooled and equipped, and its factory designed for the production of chairs. Now an invitation for bids comes out from a department for prices on furniture. The bid specifications call for not only chairs, but for tables, for dining room furniture, for bedroom furniture, and so forth. These items are all included within one specification. This company is unable to bid under those specifications because their production is limited to chairs. A furniture manufacturing company in my district making tables and bedroom furni-

ture is not able to bid because their production is limited to those specific items. What happens? The thing that inevitably happens is that some intermediary slips into the picture. He is given the specifications, and he goes to these parties, collects their bids. He then submits a bid to the Government and although he has perhaps nothing more by way of investment than a desk here in Washington or in the city of New York, he gets the business. Why cannot these departments, in the name of common sense, split these specifications up so that the chair factories in my district and in yours will have an opportunity to bid, to furnish chairs? Why do they not split them up so that the table manufacturers can bid to supply tables and the Government receive a much better product at a great saving to the taxpayers of this Nation? Why is it necessary to have these intermediaries drawing their profit out of the deal? Why does not the Government deal direct?

I have before me right now an invitation to a manufacturer in my district to participate in the manufacture of 18,000,000 tent stakes. Did it come from the Government? Did that invitation come from the War Department, the Department for which we are appropriating funds this afternoon? No; the invitation came from a concern up in Philadelphia that is listed in Dunn & Bradstreet's but that has no financial rating. Did the Government come to the manufacturer in my district and ask him to submit a bid to the Government for a part of these stakes? No, it did not. They were asked to submit a bid to a concern up in Philadelphia with whom the Government is dealing as intermediary. Why does not the Government deal directly with these concerns that have the capacity and the ability to manufacture tent stakes rather than to call in this intermediary and pay him a profit when perhaps he has no manufacturing facilities and is totally unable to bid on the 18,000,000 tent stakes without the supporting bids of real manufacturers?

I feel, Mr. Chairman, that such criticism is constructive, and that if the agencies in charge of the expenditure of this money will pay some attention to what I have said they will relieve some of the distress of the small manufacturers, and give them a chance to participate in the war effort.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 201. Whenever the President deems it to be in the interest of national defense he may authorize the Secretary of the Navy to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense articles procured from funds appropriated in this title, in accordance with the provisions of the act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$18,000,000: *Provided further*, That the term "defense article" as used herein shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services: *Provided further*, That the limitation of \$2,500,000,000 established in sec-



tion 301 of the act of February 7, 1942 (Public Law 441), shall apply to all appropriations made to the Navy Department since March 11, 1941.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at a later stage of the bill I shall offer an amendment and take but a moment now to read it to you. It is the insertion of a new section to read as follows:

No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or Naval Establishments, designated as final payment until the contractor shall have filed with the procuring agency a certificate of costs and an agreement for renegotiation and reimbursement satisfactory to the Secretary of War or the Secretary of the Navy, as the case may be.

This suggested limitation grows out of the recent Bethlehem decision by the Supreme Court of the United States in which the Court held that if excessive profits were made in the prosecution of a contract, once having made final settlement and paid the contractor the Government cannot recover.

In other words, the Court has held that we must lock the barn before the horse is taken. We must have an agreement for renegotiation of the contract and reduction of the costs or reimbursement if an audit of costs shows the price to be excessive. And this must be done before final settlement is made.

I have discussed this approach to the problem in hearings on two different bills recently: First, with General Reybold, Chief of Engineers, in the hearings on the civil-functions War Department bill, and with Colonel Kutz, representing the ordnance branch, on the bill now before us. You will find the testimony of Colonel Kutz on page 147 of the hearings.

I read this portion of the testimony:

Mr. CASE. In connection with this problem of costs, at a previous hearing of this committee I suggested to General Reybold, of the Engineers Department, the possibility of a provision that that portion of the payments designated as the "final payment" in any contract should not be made until the contractor has furnished the War Department with a satisfactory certificate of costs and a satisfactory renegotiations agreement, as a matter of protection of the Government. Have you given any consideration to that method of making it possible to recapture excessive payments, or protect the Government?

Colonel KUTZ. Not exactly, sir. However, in a number of our contracts we have provided for the renegotiation of the costs based on a percentage run, say, of 25 percent production under the order, after which time an audit shall be made of the actual costs, and the renegotiated price to be based upon those actual costs.

For example, in the case of machine guns, the initial estimated price, after having been renegotiated on the basis of the actual experience on production of 25 percent of the total order, was reduced by more than 50 percent, and the price as renegotiated was made effective over the entire contract.

Mr. CASE. I do not want to prolong this discussion, but I am just going to make this observation: I fear it will be impossible for Congress to control that by simply passing

a law saying that profits shall not exceed a certain percent; that there must be some method, in the light of the Bethlehem decision, for the Government to protect itself by getting a renegotiation agreement that will permit it to take advantage of any discovered excessive costs. And that, of course, will have to be done before final settlement is made.

Colonel KUTZ. That is correct, sir.

This experience of the Ordnance officers would indicate that such a procedure as I have proposed is workable.

All of us have been appalled by the recent testimony that has come out as to the excessive profits being made under certain contracts. Profits so big they had to have shovels to handle them; profits of 100 and 200 percent in some extreme cases. Under the court's holding in the Bethlehem case, it would appear that the only way that we can get at these cases is to have a provision in the contract providing that before final settlement is made a certificate of costs shall be filed with an agreement for renegotiation and reimbursement for excessive profits. I hope when the amendment is offered it will have your support.

The Clerk read as follows:

The Clerk of the House of Representatives is authorized to store valued documents of the House of Representatives in The National Archives Building and such documents shall continue under his control and jurisdiction and shall be consulted or removed only on his written order. The Archivist shall assign suitable space and provide adequate protective custody for such documents.

Mr. HOBBS. Mr. Chairman, I make the point of order against this last paragraph on the ground that it is legislation on an appropriation bill.

Mr. CANNON of Missouri. Mr. Chairman, the committee concedes the point of order.

The CHAIRMAN. Sustained.

The Clerk read as follows:

Grants to States for old-age assistance: For an additional amount for grants to States for old-age assistance, subject to the conditions specified under this heading in the Federal Security Agency Appropriation Act, 1942, \$30,000,000.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 18, line 4, strike out "\$30,000,000" and insert "\$100,000,000."

Mr. O'CONNOR. Mr. Chairman, the purpose of this amendment is to increase the appropriation of \$30,000,000 for social security to \$100,000,000. This bill carries a total appropriation of \$13,000,000,000 for all purposes. I am for the bill, and will vote for it.

My amendment will provide an additional \$70,000,000 with which to take care of the aged in need and crippled people of this country, those who may be in such a condition that they are unable to secure employment—or work if they could get it. We have taken it upon ourselves to establish freedom from want in every country in the world. I think we had better begin by trying to establish freedom from want in our own country. You may find want in every State in the Union.

Mr. Chairman, I ask in the name of the people who are in need, who are sick, who are old, who are crippled in this country—many of whom are living in abject and dire poverty—that this sum be increased from \$30,000,000 to \$100,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. O'CONNOR].

The amendment was rejected.

The Clerk read as follows:

Access roads: Authority is hereby granted, in addition to the authority granted for the same purpose under this heading in the Third Supplemental National Defense Appropriation Act, 1942, to enter into contracts in the amount of \$20,000,000 for the construction and improvement of access roads and for replacing existing highways and highway connections as described in and in accordance with section 6 of the Defense Highway Act of 1941 (Public Law 295), such authority to continue during the existence of the emergency declared by the President on May 27, 1941.

Mr. HOBBS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 22, line 17, strike out "\$20,000,000" and insert "\$25,400,000."

Mr. HOBBS. Mr. Chairman, this amendment would simply restore the amount of the contract authorization to the Budget estimate. This bill authorizes contracts up to \$20,000,000. The Budget calls for \$25,400,000. There were \$150,000,000 authorized by the appropriate legislative committee of this House and \$25,400,000 is the unallocated balance of that authorization.

I want to read you the reason given by the Appropriations Committee for this reduction, and I read from the report, page 18:

In making the decrease of \$5,400,000 in the requested contract authorization, the committee has been advised—

It does not say by whom—that some projects—

It does not say how many, what, or where—

constructed under this program are more elaborate than the circumstances of the access needs warrant and that lesser appropriations will suffice if the projects are planned on a strict utility basis of war need.

I submit, in all frankness, candor, and sweetness, though fully appreciating the outstanding ability of the great Appropriations Committee, I would rather have the opinion of the Bureau of Public Roads and of the Army engineers than that of the Appropriations Committee.

Our Appropriations Committee says that it has been advised that some projects are too elaborate. Two separate groups of experts, as well qualified and patriotic as any living men, have approved every one of the access road projects in this program as being necessary to our Nation's war effort, and have prepared the plans and specifications for each with that care and skill for which they are justly famous. The Secretary of War or the Secretary of the Navy has certified each as important to national defense. The Budget has asked Congress



to authorize contracts for \$25,400,000 worth of them. Instead of doing so, our committee says "No." We are advised that some projects are too elaborate, so we will cut \$5,000,000 off of the amount certified as being needed for war purposes after your best, studied estimate. This seems to many of us both arbitrary and capricious. There is no showing of facts to justify the committee's guess based upon the advice of the unknown man.

We had better be safe than sorry. Let us have no more of the "too little, too late" preparedness.

This item is not an appropriation of money. It is merely a contract authorization. If it be true that some projects have been too elaborate, it does not follow that these, for which contract authorization is now sought, are.

I beseech you to follow the advice of the experts of the Bureau of Public Roads, the Army engineers, the Bureau of the Budget, and take no chance of blocking projects certified as being necessary to help win the war.

I am satisfied that quite a few members of the Appropriations Committee themselves agree with me on this proposition. Let us adopt my amendment and restore the Budget estimate.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. Hobbs].

The amendment was rejected.

The Clerk read as follows:

Forest-fire control, Department of Agriculture (emergency): For all necessary expenses to enable the Secretary of Agriculture, independently or in cooperation with the various States or other appropriate agencies or individuals, to intensify and augment forest-fire prevention and suppression measures in critical areas on Federal, State, county, municipal, or private lands, including the purchase (not to exceed \$5,000), operation, and maintenance of passenger-carrying vehicles, and not to exceed \$15,000 for personal services in the District of Columbia, fiscal year 1942, \$2,000,000, to remain available until June 30, 1943: *Provided*, That there shall not be expended from this appropriation on non-Federal lands in any State any amount in excess of the amount made available by the State, or private agencies, or individuals for the purposes of this appropriation: *Provided further*, That sections 2 and 3 of the Department of Agriculture Appropriation Act, 1942, or similar provisions in this Act or in the act making appropriations for said Department for the fiscal year 1943 shall not apply to persons employed hereunder for less than 60 days on sudden emergency work involving the loss of human life or destruction of property.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. Chairman, as the House has agreed to close debate on amendments at as nearly 5:30 p. m. as possible, there will be no opportunity to obtain an adequate hearing on the question of emergency forest-fire-control appropriations. The Forestry Service asked \$18,100,000 of the Bureau of the Budget for this important purpose but in its wisdom the Bureau cut that to \$5,000,000 in making its rec-

ommendation to the Appropriations Committee. Then that great committee cut the \$5,000,000 to \$2,000,000, which is the amount recommended in this bill. That amount is entirely inadequate for the purpose of protecting the national forests from sabotage fires in southern California alone.

I have talked with other Members of the House from the three Pacific States who know what this means for us and we have decided that owing to the lateness of the hour, the restlessness of the Members present, and the attitude of the Committee on Appropriations that it would now be an inopportune time to offer an amendment restoring this item even to the amount recommended by the Bureau. We have decided to let the matter rest in the House and to take it up in the other body where we may be able to accomplish our need.

The Clerk read as follows:

For all expenses necessary to enable the Secretary of Agriculture to carry into effect the provisions of the act of March 5, 1942 (Public Law 473), and in accordance with the provisions thereof, including personal services in the District of Columbia and elsewhere (including alien labor); printing and binding without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); purchase of books of reference and periodicals; the purchase (not to exceed \$13,000), operation, and maintenance of passenger-carrying vehicles; the exchange of passenger-carrying and other motor vehicles, tractors, and other equipment and parts or accessories thereof, in whole or in part payment for similar equipment; the erection of necessary buildings; the procurement of medical supplies and services for emergency use in the field; and the acceptance of donations of land and rubber-bearing plants, \$4,200,000, to remain available until June 30, 1943: *Provided*, That any proceeds from the sales of guayule, rubber processed from guayule, or other rubber-bearing plants, or from other sales resulting from operations under such act of March 5, 1942, shall be covered into the Treasury as "Miscellaneous receipts": *Provided further*, That the allocations of \$884,000 and \$750,000 for these purposes from the emergency fund for the President in the Independent Offices Appropriation Act, 1942, made by letter No. 42-75, dated February 6, 1942, and letter No. 42-89, dated March 10, 1942, respectively, shall be transferred to and made a part of this appropriation, and immediately thereafter an amount equal to such allocation shall be repaid to said emergency fund for the President (Pub. Law 473, 77th Cong.).

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is very unfortunate that a bill of this importance, carrying military appropriations, has to be a catch-all.

Mr. CANNON of Missouri. Mr. Chairman, has the gentleman offered a bona fide amendment?

Mr. MONRONEY. No.

Mr. CANNON of Missouri. Under the agreement, the gentleman cannot be recognized unless he offers a bona fide amendment.

Mr. MONRONEY. It was my understanding that specific provision was made for me to be recognized for 2 minutes.

The CHAIRMAN. The agreement was that the gentleman from Oklahoma would be recognized for 2 minutes and the gentleman from Texas for 2 minutes.

Mr. MONRONEY. Mr. Chairman, I think it is indeed unfortunate that an important military measure has to be a catch-all in some degree for appropriations that do not go through the regular channel. In regard to the travel in respect to guayule, I call your attention to an article appearing in the El Paso Herald of March 16, 1942. It reads as follows:

#### HOW TRAVEL MONEY GOES—THREE UNITED STATES AGENTS RIDE TO EL PASO ON GUAYULE

A phase of the United States Department of Agriculture's contemplated Pullman farming program has come to El Paso County.

Four agricultural agents, three of them on the United States Agricultural Department's pay roll, came to El Paso last Friday to arrange for planting of guayule in two 1-acre plots.

County Agricultural Agent Foster, whose \$3,443.20 annual salary is paid by the Federal Government, the State, and the county, could have handled most of the arrangements, saving Uncle Sam the traveling expenses of the three agents.

J. T. Presley, of the Arizona experiment station, came by train all the way from California at Government expense. S. E. Wolf, of the Soil Conservation Service, and C. H. Muller, of the Bureau of Plant Industry, Department of Agriculture subsidiaries, came by automobile with A. R. Templin, of the Texas experiment station, from San Antonio. Mr. Templin is a State employee.

Arrangements for planting of an acre of guayule on the Ord Gary farm in the Upper Valley and an acre on the Lower Valley experiment farm to determine its growth for future rubber production could have been arranged through his office, Mr. Foster said.

"We arranged things so the agents could find out about planting guayule here, and I suppose we could have handled the actual signing of agreements," Mr. Foster said. "These men, however, are setting up a special office in San Antonio to get the guayule program started. Mr. Presley has had experience in growing it."

The county agent explained that his office had no control over the functions of other Department of Agriculture agents.

Mr. Foster will have nothing to do with the guayule experiments unless he is called upon to aid the San Antonio office, he said.

One of these agents came from California to El Paso and three came from San Antonio to El Paso to plant these 2 acres.

I am taking the time of the House today to tell the men who will spend this \$4,200,000 on this most useful war program that the House will not tolerate this as a boondoggle. We mean business and we are going to watch every one of their expenses. We do not want this money spent on offices; we do not want it spent on regional inspectors; we want it spent on the planting of guayule rubber. This is not just an ordinary peacetime expenditure. The House Appropriations Committee, I know, intends to watch it.

Going back once more to dumping these items into these vital War Department bills, may I say that in the item just before this there is an appropriation for controlling the white-winged moth, and in that there is a travel account amounting to \$117,860. I think these departments should come down and put their total appropriations in the agricultural bill, and not come in under a big bill that is of such vital importance to defense



and expect the House to miss those items in its consideration of the bill.

[Here the gavel fell.]

Mr. THOMASON. Mr. Chairman, I agree with all the gentleman from Oklahoma [Mr. MONRONEY] has said. I think he has rendered a very distinct service to the House and to the country in calling attention to the waste of money in traveling expenses. I have supported every amendment he has offered along that line and shall continue to do so. I am for cutting all items to the bone that are not absolutely necessary in the prosecution of the war.

May I say in connection with the statement the gentleman has just made and the article he read that I am tremendously interested in the guayule program. I see the gentleman from California [Mr. ANDERSON] is present. When he had his bill before the House some 2 months ago to purchase the seed of the Intercontinental Rubber Co. at Salinas, Calif., I was very happy to support it.

The guayule plant is a proven thing in my part of the country, especially in the Big Bend. There was once a splendid factory in the town of Marathon, Tex. There are literally thousands of young unmatured plants there now. Only last week I had a conference with Doctor Walton, the president of Texas A. & M. College, who is much interested in the development of guayule in Texas. The able representative from the district in which the college is located is Mr. LUTHER JOHNSON, who has been cooperating with me in the matter. Mr. JOHNSON and I talked to the Secretary of Agriculture, Mr. Wickard, and Assistant Secretary of Agriculture Mr. Grover Hill, of Texas, and urged that the Texas A. & M. College, through its county agents, have a part in this program. There is not greater college of its kind in America than Texas A. & M. and we were promised cooperation.

In my judgment, it is unnecessary to be spending a lot of money in these experimental 1-acre tracts to develop guayule. It is certainly not necessary to spend any excessive amount in the way of traveling expenses. There are literally thousands, perhaps millions, of plants in old Mexico now and many of them fully matured. Under the new bill that has been passed by Congress, there is authority to build factories in the United States to process the guayule that is brought out of Mexico. These guayule plants take 3 or 4 years to mature, but there is a great lot of guayule now in Mexico that could be processed in this country now if we had the factories and I want to see one in Texas.

What I want to see done is to have the great agricultural schools along the Mexican border like Texas A. & M. cooperate in this program through the county agents, and thus you will not need all this travel expense. I want to see everything possible done to develop the guayule industry in west Texas, New Mexico, Arizona, and southern California. It has a great future and do not forget the rubber supply it getting short and the situation more serious every day.

[Here the gavel fell.]

The Clerk read as follows:

DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY

Fire protection of forests, forest industries, and strategic facilities (national defense): For all necessary expenses to enable the Department of the Interior independently or in cooperation with other appropriate agencies to initiate and intensify and augment forest-fire prevention and suppression measures on critical forest, brush, and grass areas under the administration of the Department of the Interior, including not to exceed \$8,000 for personal services in the District of Columbia; purchase (not to exceed \$6,000), maintenance, operation, and repair of passenger-carrying automobiles; hire, with or without personal services, of work animals and animal-drawn and motor-propelled vehicles and equipment; and purchase in the District of Columbia or elsewhere of other items otherwise properly chargeable to the appropriation "Contingent expenses, Department of the Interior," fiscal year 1942, \$324,800, to remain available until June 30, 1943: *Provided*, That for sudden emergency work involving the loss of human life or the destruction of property, persons may be employed for periods of less than 60 days and be paid salaries or wages from this appropriation without regard to citizenship and without regard to membership in an organization that advocates the overthrow of the Government.

Mr. RICH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RICH. Mr. Chairman, if I offer an amendment to this section and the amendment is not adopted, can I then make a point of order against the section?

The CHAIRMAN. A point of order has to be made against the section before the amendment is offered.

Mr. CANNON of Missouri. I wonder if the gentleman will confine his point of order to lines 10 and 11 on page 29?

Mr. RICH. Mr. Chairman, I want to make a point of order against this, but I would like just to change the wording of the section because I have talked to a number of the members of the Committee.

Mr. CANNON of Missouri. That can be done only by unanimous consent.

Mr. RICH. Mr. Chairman, I ask unanimous consent that I may submit the amendment for the consideration of the Committee.

Mr. CANNON of Missouri. Without prejudice to any point of order, I shall not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 29, line 9, after "without", strike out "regard to citizenship and without regard to membership in an organization that advocates the overthrow of the Government," and insert "the necessity of inquiring into their citizenship or membership in any organization."

Mr. RICH. Mr. Chairman, this amendment speaks for itself. I am against anyone now and immediately who advo-

cates the overthrow of this Government, and I want to put him behind the bars and I do not want him to have any chance to do any damage, and that is the reason I offer the amendment.

Mr. CANNON of Missouri. Mr. Chairman, the committee accepts the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 402. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment, which is at the Clerk's desk, and which I have previously explained.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 36, after line 11, insert a new section as follows:

"SEC. 402-A. No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or Naval Establishments, designated as 'final payment' until the contractor shall have filed with the procuring agency a certificate of costs and an agreement for renegotiation and reimbursement satisfactory to the Secretary of War or the Secretary of the Navy as the case may be."

Mr. CANNON of Missouri. Mr. Chairman, I make the point of order against the amendment that under the guise of a limitation the amendment would require executive action.

Mr. CASE of South Dakota. Mr. Chairman, I concede the point of order and offer another amendment.

The CHAIRMAN. The point of order is sustained.

The Clerk will report the amendment offered by the gentleman from South Dakota.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 36, after line 11, insert a new section as follows:

"SEC. 402-A. No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or Naval Establishments designated as 'final payment' to any contractor who fails to file with the procuring agency a certificate of cost and an agreement for renegotiation of contract and reimbursement of profits in excess of 6 percent."



The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 70, noes 8.

So the amendment was agreed to.

The Clerk read as follows:

Sec. 404. Section 302 (c) of the Treasury and Post Office Departments Appropriation Act, 1942, and section 302 (c) of the Treasury and Post Office Departments Appropriation Act, 1943, are hereby repealed; and the limitation of \$750 specified in section 302 (a) of each of such acts and any similar limitation of the same or a lesser sum specified in any other appropriation act for such fiscal years may be exceeded by such amount as the Secretary of War, in the case of the War Department, the Secretary of the Navy, in the case of the Navy Department, and the Director of Procurement, in the case of other essential governmental needs, may determine necessary to obtain satisfactory motor-propelled passenger-carrying vehicles of the lightweight, low-priced class, but in no event shall the price so paid for any such vehicle exceed \$900 free on board factory.

Mr. RICH. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. RICH: Page 37, line 13, after the word "exceed", strike out "\$900" and insert "\$360.50."

Mr. RICH. Mr. Chairman, that accounts for the 15 percent that they allow dealers. There is no reason why they should permit the Army to pay more than the price that Mr. Henderson fixed.

Mr. CANNON of Missouri. Mr. Chairman, the committee accepts the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Sec. 405. This act may be cited as the "Sixth Supplemental National Defense Appropriation Act, 1942."

Mr. CANNON of Missouri. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 16, line 7, strike out "\$45,650" and insert "\$59,847."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and Mr. COOPER having resumed the chair as Speaker pro tempore, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 6868), making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amend-

ments be agreed to and that the bill, as amended, do pass.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the bill and amendments to final passage. The previous question was ordered.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER pro tempore. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider laid on the table.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. VINSON] have permission to revise and extend his remarks made today and include therein excerpts, letters, and editorials.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### LEAVE TO PRINT

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who spoke on this bill may have 5 legislative days in which to extend their remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks and include a short editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### HON. ROWLAND K. ADAMS

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial from the Baltimore Sun.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I am happy to learn of the appointment of Judge Rowland K. Adams, of the supreme bench of Baltimore, as regional director of the Office of Civilian Defense for the area comprising Maryland, Pennsylvania, Virginia, and the District of Columbia, and I am sure that under his guidance the Office of Civilian Defense will be conducted in a very efficient and intelligent manner.

Judge Adams' performance in the State attorney's office and on the supreme bench of Baltimore will guarantee to the people of the Third Corps Area the leadership which is needed at this time.

[From the Baltimore Sun of March 28, 1942]

OUR OFFICE OF CIVILIAN DEFENSE AREA OBTAINS A GOOD REGIONAL DIRECTOR

The appointment of Judge Rowland K. Adams, of the supreme bench of Baltimore, as regional director of the Office of Civilian

Defense for the Third Corps Area will be welcomed by the people of Maryland and by those outside the State who know him. Judge Adams' modesty has not hidden the fact that he is a sound and intelligent man capable in his quiet way of thinking complicated problems through and acting on them decisively.

The Third Corps Area includes Maryland, Pennsylvania, Virginia, and the District of Columbia. The touchy civilian defense problems here will arise in part from the fact that the defense area overlaps the respective jurisdictions of a series of local governments, each of which could mistakenly seek to think first of its own pride despite the far more important general need.

The man selected to approach these touchy matters must be tactful and at the same time forceful if he is to be successful. Judge Adams has both these qualities. The Office of Civilian Defense is fortunate in obtaining his services and so are the civilians of the area affected.

#### EXTENSION OF REMARKS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and to include two tables and an editorial.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article from the Federated Press.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent that I may be permitted to extend my remarks for every day that the House is in session during the next 2 weeks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an address by Judge Michael A. Musmanno, on the subject of Saint Patrick.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MCGREGOR. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a short editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MAHON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and include therein a brief excerpt from the hearings on the War Department appropriation item.



The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include therein excerpts from letters received from constituents.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that my colleague from Alabama [Mr. JARMAN] be allowed to extend his own remarks and include an article from the Milwaukee Journal.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that I be allowed to extend my own remarks and include therein an editorial and a news item.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include therein a certain letter from a constituent and an article from the Washington Post of today.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FOGARTY. Mr. Speaker and Members of the House, I wish to bring to your attention an article that appeared in the Washington Post on Saturday, March 28, 1942:

#### MARYLAND BRICKLAYERS REFUSE PAY BOOST

BALTIMORE, March 27.—The business representative of the Bricklayers and Masons Union No. 1, American Federation of Labor, announced today the members had rejected a dollar a day pay increase due to start April 10.

The agent, J. Raymond Ward, said the union surveyed the situation and decided it was not the proper thing at this time to increase wages, because the United States is at war. "We want to do our part as well as any other soldier."

To understand the labor front in America it is necessary to survey the entire picture. It is a fatal mistake to generalize from isolated instances.

But strange as it seems we listen to Members of Congress, day in and day out, walk down in the well of this house and proclaim to the world that it is necessary to curb labor in order to increase the production of war materials that are essential today to win this war.

The gentleman from Michigan [Mr. HOFFMAN], the gentleman from Virginia [Mr. SMITH], and several well-known leaders of the opposition forces of organized labor, nine times out of ten only give to you and to me and to all the world isolated cases of strikes in our defense industry. By citing the above notice in the Washington Post I do not attempt to say that every local in the country is doing the same thing, but being honest and

aboveboard I am willing to admit that this is an isolated case, and by the very same token I make the charge that the gentleman from Michigan and the gentleman from Virginia when they make the charges that they do day in and day out are without question making them without foundation and only in isolated cases.

Mr. Speaker, it amuses me to listen to these labor haters day after day hark back to the days of industrial strife such as the gentleman from Michigan [Mr. HOFFMAN] did yesterday when he said:

Who was it who, in 1937, invaded the State of Michigan and with armed goon squads beat into submission the workers of General Motors at Flint, Mich.? Who was it who took possession of some of the cities of Michigan and by force maintained possession for weeks; yes, for months? Who was it who carried on that undeclared war against civil authority? It was the Congress of Industrial Organizations of which Murray is the head.

Well, I say in answer to the gentleman from Michigan that these very same companies that he speaks of are the very same ones that organized a strong-arm squad its leader stated:

To put the fear of God not only in any union outsider who might appear but also in any employee with a sympathetic attitude toward union activities.

They were supplied with blackjacks which were manufactured in the plant; later, as their work progressed they acquired whips, lengths of hose, and similar weapons. They were stationed at different vantage points throughout the city, were given free use of company cars, and were afforded free access to the plant at all hours.

Mr. Speaker, one man was murdered by mistake by this group—they wanted his brother—and I have heard of another who was tarred and feathered, his eye gouged out, and left to die (this was also a mistake: he was a union organizer, but in another type of industry). The conditions here that I have described are not presented in any attempt to show that labor is always right and its employers are always a group of exploiters. But the silence of our press on these matters does reveal its leanings and its biased and partisan treatment of labor relations, and the sniping at the labor laws by those in and out of Congress who delight in condemning those of us who are affiliated with organized labor and in reality they portray the faults of labor and the virtues of capital.

Oh, yes; Mr. Speaker, it makes my blood boil when I sit here in the House and listen to the gentleman from Michigan and others proclaim that unity does not prevail, when in reality they, by their remarks and insinuations, are the ones who are creating disunity in our ranks, coupled with the help of the press, the all-too-wise radio commentators, the chamber of commerce, the dollar-a-year men, the manufacturers, and all others who disagree with our Commander in Chief, the President of the United States; Mr. Nelson, the Navy Department, the Army Department, in fact those who are responsible for carrying out our war effort are all wrong if we were to listen to these prophets of today who are telling us how to win this war and yet by their

past votes if they had their way we would now probably be under the thumb of the Axis Powers.

The gentleman from Michigan also brought to the attention of the House the initiation fees that are charged workers at Camp Pickett, Va. All I can say in answer to that is, brother, those fees are cheap at half the price. When I joined the Bricklayers Union of Providence, R. I., I paid \$107.15, and was damned glad to get in at that price.

When I think of those days when men labored 12 and 14 hours a day for a dollar a day, and because of labor being organized when I joined the union I received \$12 a day for 8 hours' work, brother, I considered that a very good investment.

The initiation fees charged and collected from new members go into the local union treasury and that the new member, through the payment of his initiation fee, acquires an equity in the funds belonging to the local union. Not one single penny of the initiation fees collected goes to the national treasury. All of it is held by the local, belongs to the local, is deposited in the local union's treasury, protected and safeguarded by local union officers who are required to furnish adequate bond. Thus new members who join the union become beneficiaries in that the funds thus accumulated in the local treasury are used for the purpose of paying sick, death, and accident benefits and unemployment benefits.

In other words when a new member joins he rates the same benefits as those that have been paying dues for 30 or 40 years which to my mind is some investment worth while and particularly when they are about to receive a wage that is just about twice the wage if they were to work for some unorganized outfit.

Mr. Speaker, no one can tell me that all this poppycock and propaganda about getting rid of the 40-hour week and time-and-one-half for overtime originated from the people of this country. No; I maintain that the huge corporations are using their fantastic war profits to finance the drive as well as to reduce income taxes.

And I further believe that these same interests are more interested in winning their war against Roosevelt and unions than against Hitler and Hirohito.

Mr. Speaker, I am not in favor of changing any of our labor laws and I will vote against any amendment and any bill that would take away any of the gains that labor has gained, and in closing I would like to include a letter that I received from a constituent of mine, which is as follows:

We know that your sympathies are with the workingman, but that, unfortunately, many of your colleagues do not share your point of view.

We've been reading and hearing all about letters being sent to Congress by the people wanting abolishment of the 40-hour week and overtime pay. It seems inconceivable that working people would write such letters, and a little hard to believe.

Here's a letter to the contrary, and I believe it represents not only us but thousands more like us. The favor we ask of you is to read it and if you think it presents our case well enough give its contents to the poor thinkers

7-10-30







United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 77<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 88

WASHINGTON, MONDAY, MARCH 30, 1942

No. 65

## Senate

The Chaplain, the Very Reverend ZēBarney T. Phillips, D. D., offered the following prayer:

O Merciful Father, who hast promised to the meek in heart the blessings of the life that now is and the sure hope of an eternal inheritance: Grant that in this Holy Week we may capture more and more the spirit of true meekness as it is revealed in the person of Thine own dear Son, who floods the simplest acts of life with an unearthly light, making them gracious and beautiful symbols of some pure and holy mystery by means of which each human thought and word is clothed with a radiance divine. Help us each day and hour to take His yoke upon us and to learn of Him, that we may take suffering and pain into our souls not as a tedious interlude but as the very melody and march of life itself, touched perhaps for a moment by a mordant note, only to resolve itself into the perfect harmony of life triumphant.

Inspire in us a deeper consecration to Thy service as we strive to do Thy will; make us ever more responsive to the call of duty, whatever its demands, willing, if need be, to yield up life itself, and do Thou lure us by the sweet compulsion of the Savior, whose gentle tyranny is always exercised in perfect love. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 27, 1942, was dispensed with, and the Journal was approved.

### EMPLOYEES OF BOARD OF ECONOMIC WARFARE—STATEMENT BY THE VICE PRESIDENT

Mr. HILL. Mr. President, the Vice President, on the basis of information which he had received the afternoon of Sunday, March 29, from friends as to a letter written him by Representative DIES, put out a statement over the telephone to the press. The Vice President has not yet received from Mr. DIES the courtesy of the letter which Mr. DIES gave to the press on Sunday to be printed Monday morning. I have here a copy of the Vice President's statement which was tel-

ephoned to the press last evening and ask unanimous consent to have it printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY THE VICE PRESIDENT

I have been informed of an open letter written me by Mr. MARTIN DIES regarding certain employees of the Board of Economic Warfare. If Mr. DIES were genuinely interested in helping our war effort, he would have discussed this matter with me as soon as it came to his attention. He did not. Rather, he is seeking to inflame the public mind by a malicious distortion of facts which he did not want to check with me. If we were at peace, these tactics could be overlooked as the product of a witchcraft mind. We are not at peace, however. We are at war, and the doubts and anger which this and similar statements of Mr. DIES tend to arouse in the public mind might as well come from Goebbels himself as far as their practical effect is concerned. As a matter of fact, the effect on our morale would be less damaging if Mr. DIES were on the Hitler pay roll.

Obviously, I stand ready at all times to have any and every fact regarding our employees thoroughly investigated. This is being done daily by the Civil Service Commission and the Federal Bureau of Investigation. We are eternally vigilant about it. The current charges will be investigated at once by the Federal Bureau of Investigation. If that investigation proves that these men are unsuited for work with the Board of Economic Warfare, they will be dismissed promptly as others have been in the past. If it does not, I expect a public apology to the men whose reputations Mr. DIES has publicly smeared without giving them a chance to be heard.

Over half of Mr. DIES' "letter" is given to charges against Mr. Maurice Parmelee. I never heard of the gentleman until last Saturday morning. Since then I have been informed that he was employed because of responsible work he did in London on blockade control for the United States War Trade Board during the last war. Subsequent to that, in 1920, he was named as special assistant to the Secretary of State. He is not now doing post-war work.

Notwithstanding Mr. DIES' statement, less than half a dozen people are engaged in post-war planning for the Board of Economic Warfare. The majority of our employees are engaged in work on over 8,000 export-license applications which are analyzed and cleared every day. Mr. DIES' reason for distorting the

emphasis on post-war work was because of the chance it gave him to draw utterly false inferences from a book Mr. Parmelee wrote 11 years ago on nudism.

This book was first published in 1931 by Alfred Knopf, one of the established publishing houses in this country. Some years later a libel suit in connection with an English edition was filed in the Federal district court here. Mr. DIES quotes extracts from that lower court decision. He would keep the American people in ignorance of an appeal in the case. Such an appeal was taken to the United States Court of Appeals for the District of Columbia, and the lower court decision was reversed. In a decision handed down by Justice Miller on May 14, 1940, the court held that the entire text of the book was inoffensive and that only a few of the illustrations were questionable.

The court held further that "it is obvious that the latter do not furnish the dominant note of the publication. \* \* \* In the present case, as in the Ulysses case, the book as a whole is not obscene. \* \* \* The author has been known for many years as a well-qualified writer in the field of sociology. His textbooks have been long known and used in the colleges and universities of this country."

Mr. Parmelee's case has been passed on by the courts of the land as provided for by our form of government. Not one person in a hundred thousand in this country is interested in nudism. Mr. DIES has twisted a few isolated facts in an effort to create the impression that the Board of Economic Warfare is planning a nudist post-war world for the United States. In calmer times this would make him the laughingstock of the country. In these days of crisis and tension, however, we cannot tolerate deliberate and dishonest efforts to confuse the public.

These are the most critical times in our history. Everything we treasure is at stake. It is the solemn duty of all patriotic citizens to fight the enemy within our gates who hides under many cloaks, the most insidious of which is a false patriotism. Any man who seeks to undermine faith in our Government by a malicious misuse of facts is a greater danger to our national safety than thousands of Axis soldiers within our borders. Hitler and the Japs know that better than anyone else. We Americans must face this ugly truth.

I trust that Mr. DIES and others of his kind, with an intense itch for publicity, will use their talents to help the United Nations win this war rather than stir up discord among patriotic Americans.

HENRY A. WALLACE.

MARCH 29, 1942.



## CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	Overton
Andrews	Gillette	Pepper
Austin	Glass	Radcliffe
Bailey	Green	Reed
Ball	Guffey	Reynolds
Bankhead	Gurney	Rosier
Barbour	Hayden	Russell
Barkley	Herring	Schwartz
Bone	Hill	Shipstead
Brooks	Holman	Smathers
Brown	Hughes	Smith
Bulow	Johnson, Calif.	Spencer
Bunker	Johnson, Colo.	Stewart
Burton	Kilgore	Thomas, Idaho
Butler	La Follette	Thomas, Okla.
Byrd	Lee	Thomas, Utah
Capper	Lucas	Truman
Caraway	McCarran	Tunnell
Chandler	McFarland	Tydings
Chavez	McKellar	Vandenberg
Clark, Idaho	McNary	Van Nuys
Clark, Mo.	Maloney	Wagner
Connally	Millikin	Walsh
Danaher	Murdock	Wheeler
Davis	Murray	Willey
Doxey	Nye	Willis
Ellender	O'Daniel	
George	O'Mahoney	

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from California [Mr. DOWNEY] and the Senator from Washington [Mr. WALLGREN] are holding hearings in Western States on matters pertaining to national defense.

The Senator from Mississippi [Mr. BILBO], the Senator from South Carolina [Mr. MAYBANK], the Senator from New York [Mr. MEAD], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. McNARY. I announce that the Senator from Nebraska [Mr. NORRIS] is absent because of illness.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent as a result of an injury and illness.

The Senator from Massachusetts [Mr. LODGE] is necessarily absent.

The Senator from Ohio [Mr. TAFT] is absent on official business.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT—  
APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on March 27, 1942, the President had approved and signed the following acts:

S. 1669. An act for the relief of James Franklin Smith;

S. 1696. An act for the relief of Bessie Walden;

S. 1762. An act to authorize the Secretary of Agriculture to release the claim of the United States to certain land within Coconino County, Ariz.;

S. 2063. An act to authorize certain officers and enlisted men of the Army of the United States to accept, emblems, medals, orders, and decorations that have been tendered them by governments of the Western Hemisphere;

S. 2198. An act to provide for the financing of the War Damage Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes; and

S. 2208. An act to further expedite the prosecution of the war (signed 3 p. m., eastern wartime).

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed without amendment the bill (S. 2339) to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship through service with the allied forces of the United States during the first or second World War.

The message also announced that the House had severally agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the following bills of the House:

H. R. 4557. An act for the relief of the estate of Mrs. Edna B. Crook;

H. R. 4665. An act for the relief of Harry Kahn; and

H. R. 5290. An act for the relief of Mrs. Eddie A. Schneider.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5473) for the relief of Allene Ruhlman and John P. Ruhlman.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6799. An act to increase the monthly maximum number of flying hours of air pilots, as limited by the Civil Aeronautics Act of 1938, because of the military needs arising out of the present war;

H. R. 6845. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1943, and for other purposes; and

H. R. 6868. An act making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 4557. An act for the relief of the estate of Mrs. Edna B. Crook;

H. R. 4665. An act for the relief of Harry Kahn;

H. R. 5290. An act for the relief of Mrs. Eddie A. Schneider;

H. R. 5473. An act for the relief of Allene Ruhlman and John P. Ruhlman;

H. R. 5784. An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as the Municipal Court for the District of Columbia, to create the Municipal Court of Appeals for the District of Columbia, and for other purposes; and

H. R. 6005. An act to authorize cases under the Expediting Act of February 11, 1903, to be heard and determined by courts constituted in the same manner as courts constituted to hear and determine cases involving the constitutionality of acts of Congress, and further to define the powers of a district judge in certain suits.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE OF APPROPRIATION, SELECTIVE SERVICE SYSTEM (S. Doc. No. 192)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Selective Service System amounting to \$3,770,000 for the fiscal year 1942 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS FOR THE NAVY AND NAVY DEPARTMENT (S. Doc. No. 193)

A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Navy Department and naval service for the fiscal year ending June 30, 1942, amounting to \$809,000,000 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DEFICIENCY AND SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS, DISTRICT OF COLUMBIA (S. Doc. No. 194)

A communication from the President of the United States, transmitting a deficiency estimate of appropriation, fiscal year 1941, for the District of Columbia, in the amount of \$1,409.18 and supplemental estimates of appropriations, fiscal year 1942, in the amount of \$527,110; in all, \$528,519.18 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT ON OPERATION OF SELECTIVE SERVICE ACT

A letter from the Secretary of War, reporting, pursuant to law, relative to the personnel in the land forces under the provisions of existing law at a specified time; to the Committee on Military Affairs.

AMENDMENT OF ACT RELATING TO PREVENTING PUBLICATION OF INVENTIONS

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend the act relating to preventing the publication of inventions in the national interest, and for other purposes (with an accompanying paper); to the Committee on Patents.

CHARTER OF THE U. S. COMMERCIAL COMPANY

A letter from the Secretary of the Senate (Edwin A. Halsey), stating that, pursuant to the provisions of law, the Reconstruction Finance Corporation has filed with him, as Secretary of the Senate, two certified copies of the charter of the U. S. Commercial Company (with accompanying papers); ordered to be placed on file.

THIRTY-SECOND ANNUAL REPORT, BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive of the Boy Scouts of America, transmitting, pursuant to law, the Thirty-second Annual Report of the Boy Scouts of America, and certain appended related reports (with accompanying papers); to the Committee on Education and Labor.

## DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of Post Office (4) and Agriculture (4), the United States Employees' Compensation Commission, and The National Archives, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition (with ac-



companying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate or presented and referred as indicated:

By the VICE PRESIDENT:

A resolution of the council of the city of Toledo, Ohio, protesting against the enactment of the so-called Doughton bill, House bill 6750, providing for exemption from the payment of sales taxes by contractors working upon defense contracts, and also House bill 5180, requiring political subdivisions in the United States to pay 25 percent of the cost of access roads to defense plants; to the Committee on Finance.

A resolution adopted by a mass meeting of citizens of Jasper County, assembled at Ridgeland, in the State of South Carolina, favoring the stoppage of all nonessential money spending; the prohibition of all strikes in war industries; the suspension of political ambitions for the duration of the war; and the appropriate control of labor and any pressure groups which may seek any undue advantage in the war situation; the termination of all jobs which are not necessary to the successful prosecution of the war, and also favoring the devotion of all necessary efforts of the people and all available money to the sole purpose of winning the war and assuring victory to the Republic; to the Committee on Education and Labor.

A resolution of the Senate of Puerto Rico, to the Committee on Territories and Insular Affairs:

[Translation]

#### Senate Resolution 10

Whereas there has been published in the press a report that affirms that Col. Harry F. Besosa, acting adjutant general of the State Guard of Puerto Rico and director of the Selective Service in the island, has expressed his opposition to the appointment of Samuel R. Quiñones, speaker of the house, as captain and judge advocate of the State Guard because, as is quoted in the press, from the document alleged to be signed by Harry F. Besosa, "Mr. Quiñones cannot be considered for the position of judge advocate of the State Guard with the rank of captain because his political ideas incapacitate him for forming part of the armed forces of the United States";

Whereas although the party of which Mr. Quiñones is a member does not have in issue, nor does it represent an electoral mandate in favor of, any political finality, it is, nevertheless, the inalienable right of American citizens in Puerto Rico to have absolute liberty in their convictions in regard of what should be the future of Puerto Rico, whether in the form of statehood, independence, or other form of government organization;

Whereas if the words and ideas attributed to Harry F. Besosa prove to be true, such attitude implies treason to the principles for which this war is being fought and to the principles contained in the Atlantic Charter and to the need of the Government of the United States to show with midday and undoubted sincerity that the fight that is being waged in the world is the fight for the liberty of conscience and of man;

Whereas the attitude attributed to Harry F. Besosa would be, if true, treason to the cause of democracy because it would establish odious distinctions in connection with the consciences of men, declaring certain men incapacitated to assume fully their responsibilities in this war, the same as in Germany the Jews are declared incapacitated for fully

assuming their responsibilities in the life of Germany;

Whereas the attitude attributed to Harry F. Besosa, if true, could be due only to absolute irresponsibility at the historic moment, or to a total lack of understanding of the significance of the United States in this struggle, or to a desire, contemptible and sinister, to play a partisan political game or the capitalist game;

Whereas the attitude attributed to Harry F. Besosa, if true, would be equivalent to establishing an opprobrious condemnation not only against many Puerto Ricans devoted body and soul to national defense but also against the heroic Philippine defenders of the American Nation who are fighting heart to heart together with the heroic General MacArthur in Bataan;

Whereas the attitude attributed to Harry F. Besosa, if true, would tend to create the greatest confusion and the greatest perplexity in Puerto Rico and outside of Puerto Rico as to the war objectives, as to the cause that moves millions of men throughout the world to offer their lives in its defense, as to the significance of the Atlantic conference and of the deepest and most sacred meanings of democracy: Now, therefore, be it

*Resolved, as it is hereby resolved, by this Senate of Puerto Rico:*

1. That the Governor be requested to ratify or to rectify the information published in the press in connection with the said attitude of Harry F. Besosa.

2. That, if the Governor considers this information confidential and privileged and believes it should not be furnished to this legislature or to the people of Puerto Rico, the Governor be respectfully requested to send said document to the Commander in Chief of the armed forces of the United States, President Franklin D. Roosevelt, for such use as President Roosevelt may consider pertinent.

3. That if the attitude attributed to Harry F. Besosa in the press is true, this senate expresses its emphatic censure of such attitude, considering it treason to the fundamentals of the cause for which the free men of the world are struggling; a vile and irresponsible attempt to confound the people of Puerto Rico in its attitude toward the war; a vile and irresponsible attack on thousands of Puerto Ricans in all political parties; a vile and irresponsible attack on the heroic Philippine soldiers who are fighting together with the heroic General MacArthur in Bataan; vile and irresponsible treason to the purposes enunciated by President Roosevelt in the Atlantic charter; a vile and irresponsible attempt to place in doubt the democratic sincerity of President Roosevelt and of the American Nation toward Puerto Rico, toward Latin-America, toward the entire democratic world.

4. That this senate, if the attitude attributed to Harry F. Besosa is true, expresses to the Puerto Rican soldiers, to the Puerto Rican people in general, to the people of Latin America, to the freemen of the world, its absolute conviction that such attitude does not in any wise represent either the attitude of the Government of the United States or of the democratic powers of the world; that not for a moment should a single Puerto Rican soldier, a single American citizen of Puerto Rico fail to render, on account of the mere fact of such attitude, if it should be true, his most decided cooperation, or to be willing to make the greatest of sacrifices in defense of the Nation and of the democratic cause; that the complete and unlimited cooperation of each Puerto Rican in the great cause directed by President Roosevelt and which is headed by the American Nation should continue to be rendered fully, to the last atom of sacrifice, even though the attitude of Harry F. Besosa proves to be true and he should continue in the position which,

in that case, he would occupy in a morally improper manner.

5. That copies of this resolution be sent, if the attitude attributed to the said Harry F. Besosa is verified, to the President of the United States, to the Governor of Puerto Rico, to the Secretary of War of the United States, to the Chief of the Selective Service of the United States, to the Secretary of the Interior of the United States, to the Speaker of the House of the United States, and to the Vice President of the United States as President of the Senate.

By Mr. CAPPER:

A petition of sundry citizens of Murdock, Kans., praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

#### REPORT OF COMMITTEE ON NAVAL AFFAIRS

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 2406) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, reported it without amendment and submitted a report (No. 1230) thereon.

#### REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred, for examination and recommendation, two lists of records transmitted to the Senate by the Archivist of the United States, which appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

#### BILL INTRODUCED

Mr. WALSH introduced a bill (S. 2415) to change the designation of the Bureau of Navigation of the Department of the Navy to the Bureau of Naval Personnel, which was read twice by its title and referred to the Committee on Naval Affairs.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 6799. An act to increase the monthly maximum number of flying hours of air pilots, as limited by the Civil Aeronautics Act of 1938, because of the military needs arising out of the present war; to the Committee on Commerce.

H. R. 6845. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1943, and for other purposes; and

H. R. 6868. An act making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes; to the Committee on Appropriations.

#### NINETEENTH ANNUAL DINNER OF CHAMBER OF COMMERCE AND CIVICS OF THE ORANGES AND MAPLEWOOD, N. J., ADDRESS BY DR. HU SHIH

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD a statement of the proceedings of the nineteenth annual dinner of the Chamber of Commerce and Civics of the Oranges and Maplewood, N. J., together with the address of Dr. Hu Shih,



Chinese Ambassador to the United States, which appear in the Appendix.]

#### LETTER FROM A SOLDIER IN HAWAII TO HIS BROTHER

[Mr. BARKLEY, on behalf of Mr. DOWNEY, asked and obtained leave to have printed in the RECORD a letter from William Morrell Hale, Jr., stationed in Hawaii, to his brother, which appears in the Appendix.]

#### NO CLASS WARFARE—EDITORIAL FROM BALTIMORE SUN

[Mr. BYRD asked and obtained leave to have printed in the RECORD an editorial from the Baltimore Sun of March 27, 1942, entitled "No Class Warfare," which appears in the Appendix.]

#### THE CASE AGAINST THE JEW—ANSWER BY RALPH INGERSOLL

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an article from PM magazine entitled "An Editorial Answer to the Saturday Evening Post," and an article giving the background and history of Milton Mayer, which appear in the Appendix.]

#### SHOULD AMERICANS STRIKE?—STATE- BY LOWELL L. WALKER

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a statement by Lowell L. Walker, chairman of the Americanism committee, Department of Nebraska, American Legion, which appears in the Appendix.]

#### NEW MODEL WAR BABY—EDITORIAL FROM NEBRASKA STATE JOURNAL

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial from the Nebraska State Journal under the headline "New model war baby," which appears in the Appendix.]

#### THE 4-H CLUBS

Mr. CAPPER. Mr. President, the week of April 5-11 has been proclaimed National 4-H Mobilization Week. Its purpose is to enlist a half a million or more new members, and secure new leaders to further the 4-H victory program.

President Roosevelt has written a very fine statement in support of the National 4-H Mobilization Week program, which I ask permission to have printed in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, March 11, 1942.  
To the 4-H Club Members of the United States:

In an hour when our Nation needs the active support of every group of its people, it is gratifying to learn that the 4-H Clubs will hold a National Mobilization Week, to rally the million and a half members and spur them to greater efforts in the cause of freedom. It is to be hoped that the National 4-H Mobilization Week also will bring more rural young people into active participation in the useful work in which 4-H Club members engage.

Your activities in producing, preserving, and preparing food; in making clothing; and your other practical experiences in farming and homemaking have prepared you for many tasks important in peacetime and indispensable in wartime. No other group of rural young people anywhere else in the world has so much worth defending, or is better prepared to help defend what it has.

Your 4-H Club pledge embodies the obligation which rests upon every club member as

a young citizen. Repeat it, study it, make it part of your very being. Let your head, heart, hands, and health truly be dedicated to your country, which needs them now as never before.

FRANKLIN D. ROOSEVELT.

Mr. CAPPER. Let me say further, Mr. President, that the future of our Nation is in its boys and girls. They are going to have to retrieve the mistakes we have made. They are going to have to pay the bills we are contracting while trying to find the way out of the morass into which we have stumbled through misunderstanding the application of economic laws.

The 4-H Club boys and girls from the farms and rural communities of 48 States, Puerto Rico, Alaska, and Hawaii, are as well prepared, are getting as close to the right training and experience to handle the world of tomorrow, as any group I know of in this increasingly complex society that has developed unevenly during the transition from peace to a war basis.

Mr. President, I think I know these boys and girls. Since 1914 the 4-H Clubs for rural boys and girls have been a part of the organized work of the Extension Division of the Department of Agriculture, Dr. M. L. Wilson, Director, cooperating with the land-grant colleges, and nearly 3,000 counties over the United States.

During 1940 the 4-H Club enrollment reached a new all-time high, with 1,420,000 boys and girls enrolled in 80,000 local 4-H clubs. The total members and past members of 4-H Clubs is 8,000,000. Six and one-half million alumni of the 4-H Clubs are carrying on, most of them on farms and in rural communities, but many of them in our cities. Wherever these 4-H Club graduates are they will be found engaged in community work, furnishing leadership.

The 4-H boys and girls learn to do by doing. Each member raises a pig, or has a cow and a calf, or plants a garden, or learns to sew—acquires firsthand a farm and home project which entails both work and management. They also are required to take part in some community project or projects. This year 4-H Club members are undertaking to plant 1,000,000 war gardens.

The 4-H Club emblem is a four-leafed clover, with the letter H on each leaflet. The four H's stand for head, heart, hands, and health. Think what it means to this Nation to have millions of young rural people pledged to develop head, heart, hands, and health for club, community, and country. This is quite a contrast to the pledge German youth, who consecrate themselves to Hitler and take an oath to die for him.

Mr. President, I am convinced that we must give more attention in this country to youth training—the sort of training provided by the 4-H Clubs. Our young people must know how to work, grow their food, make their clothes, and build their homes. As the war tightens its grip on us and as our standard of living is reduced, we must again become pioneers. Our young people will accept this pioneering adventure with zest if they know how to work. That is one of

the reasons I have always advocated an expansion of the 4-H Club program so that a larger percentage of our 12,500,000 rural young people from 10 to 21 years of age could take advantage of this practical training.

One closing thought, Mr. President: One day this war will be over. If and when we are privileged to sit at the peace table as victors, we will still face serious major problems. One is that the present generation of entire totalitarian states has been trained to be subservient to the state. They have been trained to hate, to kill, and to die. And they number millions. If we are to solve the problem of antagonistic populations, one of our first demands at the peace table should be that the conquered nations must institute and maintain a youth-training program based on democratic and Christian principles. That must be done if we are to look forward to permanent world peace. And that is why we need to strengthen our own youth-training program and the 4-H Clubs during this first national 4-H Mobilization Week.

#### ORDER FOR CONSIDERATION OF MEASURES ON THE CALENDAR

Mr. BARKLEY. Mr. President, the junior Senator from Kansas [Mr. REED] desires to address the Senate, and I ask unanimous consent that he be allowed to proceed at the conclusion of the routine morning business, and that at the conclusion of his address the Senate proceed to consider measures on the calendar to which there are no objections?

Mr. McNARY. The RECORD indicates that the last call of the calendar was on the 7th of March.

Mr. BARKLEY. I was about to ask that we begin with Calendar No. 1190.

Mr. McNARY. That is all right. I have no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The routine morning business is concluded.

#### LABOR RACKETEERING IN CONSTRUCTION FOR WAR PURPOSES

Mr. REED. Mr. President, on March 12, I introduced a bill which took the title of S. 2365. This is an attempt to declare a national policy with regard to restrictions as to employment paid for wholly by the taxpayers' money from the Public Treasury, on work directly for the Government or under contract, where the work performed is wholly for the Government.

In recent weeks I have obtained some information of value regarding the closed-shop policy applied to the construction program which has been under way for about 2 years. The figures I shall present, and the compilations and estimates from those figures are confined entirely to work performed under the jurisdiction of the Office of Chief of Engineers, War Department. There has been extensive construction by, or on behalf of the Government, handled through the Navy Department, the Reconstruction Finance Corporation, the Defense Housing Corporation, and many Government agencies other than the Office of Chief

77<sup>TH</sup> CONGRESS  
2D SESSION

# H. R. 6868



IN THE SENATE OF THE UNITED STATES

MARCH 30, 1942

Read twice and referred to the Committee on Appropriations

## AN ACT

Making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the national  
5       defense for the fiscal year ending June 30, 1942, and for  
6       other purposes, namely:

### 7                   TITLE I—WAR DEPARTMENT

8       For additional amounts for the Military Establishment,  
9       fiscal year 1942, to remain available until June 30, 1943,  
10      to be supplemental to, and to be merged with, the appropria-  
11      tions under the same heads in the Military Appropriation



1 Act, 1942, including the objects and subject to the limitations  
2 and conditions specified under such heads, respectively, in  
3 such Act, as follows:

4                                   MILITARY ACTIVITIES

5                                   CONTINGENCIES OF THE ARMY

6           For contingencies of the Army, including necessary per-  
7 sonal services and the purchase of lawbooks, professional  
8 books of reference and subscriptions to newspapers and peri-  
9 odicals, and such other expenses as may be necessary, and  
10 payments from this appropriation may, in the discretion of  
11 the Secretary of War, be made on his certificate that the ex-  
12 penditures were necessary for confidential military purposes,  
13 \$1,578,180.

14                                  FINANCE DEPARTMENT

15                                  PAY OF THE ARMY

16           For pay of the Army of the United States,  
17 \$325,113,462.

18                                  TRAVEL OF THE ARMY

19           For travel of the Army, including authorized transpor-  
20 tation of persons discharged for fraudulent enlistment, and  
21 including rental of camp sites and the local procurement of  
22 communication service, fuel and water, and other necessary  
23 supplies and services incident to troop movements, \$92,-  
24 200,000: *Provided*, That from the date of the approval of  
25 this Act to June 30, 1943, the Secretary of War, in prescrib-



1 ing per diem rates of allowance, not exceeding \$6, in lieu  
2 of subsistence, for officers and warrant officers of the Army  
3 of the United States traveling on official business and away  
4 from their designated posts of duty, pursuant to the first para-  
5 graph of section 12 of the Act approved June 10, 1922 (42  
6 Stat. 631), as amended, is hereby authorized to prescribe  
7 such per diem rates of allowance, whether or not orders are  
8 given to such officers for travel to be performed repeatedly  
9 between two or more places in the same vicinity, and with-  
10 out regard to the length of time away from their designated  
11 posts of duty under such orders: *Provided further*, That until  
12 June 30, 1943, the dependents and household effects of such  
13 military and civilian personnel in and under the Military  
14 Establishment on duty at stations outside the continental  
15 limits of the United States or in Alaska, as may be determined  
16 upon by the Secretary of War, may, prior to the issuance of  
17 orders for the relief of such personnel from their stations, be  
18 moved (including packing and unpacking of household  
19 effects) to such locations as may be selected by the Secretary  
20 of War, by the use of either Government or commercial means  
21 of transportation, and later from such locations to the duty  
22 stations to which such personnel may be ordered, and current  
23 appropriations of the Military Establishment available for  
24 travel and transportation may be used for this purpose, the  
25 decision of the Secretary of War to be final as to the depend-

1 ency of any individual sought to be affected by this pro-  
 2 vision except as to travel hereafter performed subsequent to  
 3 arrival in the United States; and movements of this character  
 4 heretofore effected and payments made or to be made therefor  
 5 are validated.

#### 6 APPREHENSION OF DESERTERS

7 Funds appropriated under this title may be used to pay  
 8 donations of not to exceed \$10 each to persons discharged  
 9 for fraudulent enlistment as authorized by law.

#### 10 FINANCE SERVICE

11 For Finance Service, \$2,165,000.

12 In all, \$419,478,462: *Provided*, That all funds hereto-  
 13 fore and herein appropriated for the fiscal year 1942, under  
 14 the titles "Pay of the Army", "Travel of the Army", "Ex-  
 15 penses of courts martial", "Apprehension of deserters, and so  
 16 forth", "Finance Service", "Claims for damages to and loss  
 17 of private property", and "Claims of officers, enlisted men,  
 18 and nurses of the Army for destruction of private property"  
 19 shall be disbursed and accounted for as one fund under the  
 20 appropriation title "Finance Service, Army".

#### 21 QUARTERMASTER CORPS

22 Subsistence of the Army: For subsistence of the Army,  
 23 \$323,006,000.

24 Regular supplies of the Army: For regular supplies of

1 the Army, including warehouse and fuel-handling equipment,  
2 \$80,481,000.

3 Clothing and equipage: For clothing and equipage,  
4 \$62,804,277.

5 Incidental expenses of the Army: For incidental expenses  
6 of the Army, including supplies, services, and other expenses  
7 essential in conducting instruction of the Army in tank-de-  
8 stroyer activities, \$83,807,000.

9 Army transportation: For Army transportation, \$761.-  
10 412,202.

11 WELFARE OF ENLISTED MEN

12 Welfare of enlisted men: For welfare of enlisted men,  
13 \$5,715,000.

14 In all, \$1,317,225,479.

15 SIGNAL CORPS

16 SIGNAL SERVICE OF THE ARMY

17 For Signal Service of the Army, \$748,149,000.

18 AIR CORPS

19 AIR CORPS, ARMY

20 For Air Corps, Army, \$8,515,861,251.

21 MEDICAL DEPARTMENT

22 ARMY

23 MEDICAL AND HOSPITAL DEPARTMENT

24 For Medical and Hospital Department, Army, including  
25 hospital care of Canal Zone garrisons, and for necessary medi-



1 cal care and treatment in private hospitals of military person-  
2 nel whether on duty or on furlough or leave of absence  
3 except when elective medical treatment has been obtained  
4 by military personnel in civilian hospitals or from civilian  
5 physicians or dentists, \$151,240,000.

6 CORPS OF ENGINEERS

7 Engineer Service, Army: For Engineer Service, Army,  
8 \$31,510,000.

9 Military construction, defense installations: For military  
10 construction, defense installations, \$866,165,600.

11 Military posts: For construction of buildings, utilities,  
12 and appurtenances at military posts, \$4,358,118,283.

13 Barracks and quarters: For barracks and quarters,  
14 \$49,595,000.

15 Construction and repair of hospitals: For construction  
16 and repair of hospitals, \$775,000.

17 In all, \$5,306,163,883.

18 ORDNANCE DEPARTMENT

19 ORDNANCE SERVICE AND SUPPLIES, ARMY

20 For ordnance service and supplies, Army, \$543,721,283.

21 REPAIRS OF ARSENALS

22 For repairs of arsenals, Army, \$4,500,000.

23 In all, \$548,221,283.

24 CHEMICAL WARFARE SERVICE

25 For Chemical Warfare Service, Army, \$367,366,311.

1 SPECIAL SERVICE SCHOOLS

2 Infantry School: For Infantry School, Fort Benning,  
3 Georgia, \$97,389.

4 Cavalry activities: For instruction in Cavalry activities,  
5 \$3,200.

6 Field Artillery activities: For instruction in Field Ar-  
7 tillery activities, \$63,786.

8 Coast Artillery activities: For instruction in Coast Ar-  
9 tillery activities, including antiaircraft and barrage balloon  
10 activities, \$1,625.

11 In all, \$166,000: *Provided*, That all funds heretofore  
12 and herein appropriated for the fiscal year 1942 under the  
13 titles "Infantry School, Fort Benning, Georgia", "Instruction  
14 in Cavalry activities", "Instruction in Field Artillery activi-  
15 ties", and "Coast Artillery School, Fort Monroe, Virginia",  
16 shall be disbursed and accounted for as one fund under the  
17 title "Special service schools".

18 ARMORED FORCE

19 INSTRUCTION IN ARMORED FORCE ACTIVITIES

20 For instruction in Armored Force activities, \$152,016.

21 UNITED STATES MILITARY ACADEMY

22 MAINTENANCE AND OPERATION, UNITED STATES MILITARY

23 ACADEMY

24 Maintenance and operation, United States Military  
25 Academy, \$357,580.

## GENERAL PROVISIONS

1

2       SEC. 101. Limitations on appropriations heretofore and  
3 herein enacted and available for obligation during the fiscal  
4 years 1942 and 1943, which prohibit the payment of per-  
5 sons who are not citizens of the United States, shall not apply  
6 to persons who have lost their citizenship by serving in the  
7 armed forces of another nation but who apply and are  
8 accepted for service in the Army of the United States.

9       SEC. 102. Under appropriations available to the Mili-  
10 tary Establishment, the Secretary of War is authorized to  
11 effect appointments of employees in the United States, or to  
12 effect the transfer of employees in the Federal service in the  
13 United States, for duty at any point outside the continental  
14 limits of the United States or in Alaska at which it may be  
15 found necessary to assign such civilian employees, and to pay  
16 the costs of transportation of such employees from place of  
17 engagement in the United States, or from present post of duty  
18 in the United States, in the case of those employees already  
19 in the service of the United States, to the post of duty out-  
20 side the United States or in Alaska, and return upon comple-  
21 tion of assignment or after such period of service as may be  
22 prescribed by the head of the Department; to provide for the  
23 shipment of personal effects of persons so appointed or  
24 transferred from place of engagement or from present post



1 of duty in the United States to the post of duty outside the  
2 continental United States or in Alaska.

3 SEC. 103. Whenever the President deems it to be in the  
4 interest of national defense, he may authorize the Secretary  
5 of War to sell, transfer title to, exchange, lease, lend, or  
6 otherwise dispose of, to the government of any country whose  
7 defense the President deems vital to the defense of the United  
8 States, any defense articles procured from funds appropriated  
9 in this title, in accordance with the provisions of the Act of  
10 March 11, 1941 (Public Law 11): *Provided*, That the  
11 total value of articles disposed of under this authority shall not  
12 exceed \$2,220,000,000: *Provided further*, That the term  
13 “defense article” as used herein shall be deemed to include  
14 defense information and services, and the expenses in con-  
15 nection with the procurement or supplying of defense articles,  
16 information, and services.

17 SEC. 104. This title may be cited as “Title VI, Military  
18 Appropriation Act, 1942”.

## 19 TITLE II—NAVY DEPARTMENT

20 For additional amounts for appropriations for the Navy  
21 Department and the naval service, fiscal year 1942, to be  
22 supplemental and additional to the appropriations and funds  
23 in the Naval Appropriation Act for the fiscal year 1942,  
24 including the objects and subject to the limitations and con-

1 ditions specified under the respective headings and subject  
2 to the provisions under the heading "General Provisions"  
3 contained in said Act, except as otherwise provided herein,  
4 as follows:

5                               NAVAL ESTABLISHMENT

6                               OFFICE OF THE SECRETARY

7                               MISCELLANEOUS EXPENSES

8           The provisions under this heading in the Naval Appro-  
9 priation Act, 1942, as amended, and in the Naval Appropria-  
10 tion Act, 1943, limiting the number of civilian officers and  
11 employees who may be employed in the Navy Department  
12 proper, at Washington, are hereby amended, respectively,  
13 by increasing such number to twenty thousand, and the  
14 Secretary of the Navy is authorized to employ one additional  
15 employee at a per annum salary rate in excess of \$5,000,  
16 but not in excess of the appropriate rate established in accord-  
17 ance with the Classification Act of 1923, as amended:  
18 *Provided*, That section 304 of the Second Deficiency Appro-  
19 priation Act, 1941, shall not apply to citizens of the  
20 Commonwealth of the Philippines from and including the  
21 date of approval of such Act, and the Secretary of the Navy  
22 is authorized to make payments for services rendered by  
23 such citizens during the fiscal year 1942 out of the applicable  
24 appropriations.

1 CONTINGENT, NAVY

2 Contingent, Navy, \$130,000.

3 NAVAL PRISON FARMS AND PRISON PERSONNEL

4 Naval Prison Farms and Prison Personnel, without re-  
5 gard to the existing expenditure limitation, \$8,000.

6 BUREAU OF SHIPS

7 MAINTENANCE, BUREAU OF SHIPS

8 Maintenance, Bureau of Ships: The appropriations under  
9 this head for the fiscal years 1942 and 1943 shall be available  
10 for repairs, conversions, and restorations on nonnaval vessels  
11 operated for naval requirements; and for the accomplishment  
12 of the purposes authorized by Public Law 280, approved  
13 October 24, 1941, amended by Public Law 446, approved  
14 February 10, 1942.

15 BUREAU OF ORDNANCE

16 ORDNANCE AND ORDNANCE STORES, NAVY

17 Ordnance and ordnance stores, Navy, \$183,692,000.

18 BUREAU OF SUPPLIES AND ACCOUNTS

19 PAY, SUBSISTENCE, AND TRANSPORTATION OF NAVAL

20 PERSONNEL

21 The number of officers above the rank of captain, who  
22 may receive flight pay during the fiscal year 1942, is in-  
23 creased from nine to twenty-three: *Provided*, That flight  
24 orders and the right to flight pay as to those officers above



1 the rank of captain not now entitled to flight pay shall be  
 2 subject to the conditions prescribed in the Naval Appro-  
 3 priation Act, 1943.

#### 4 BUREAU OF AERONAUTICS

#### 5 AVIATION, NAVY

6 Aviation, Navy, including not to exceed \$220,000,000  
 7 for expansion of and facilities in public or private plants and  
 8 for expediting the production of naval aircraft, equipment,  
 9 parts and accessories, \$464,827,500: *Provided*, That the  
 10 funds appropriated under this head for the fiscal years 1942  
 11 and 1943 shall be available for outfits for aviation messes  
 12 at air stations or elsewhere.

#### 13 MARINE CORPS

#### 14 PAY, MARINE CORPS

15 Pay of enlisted men, active list, \$4,756,000.

#### 16 GENERAL EXPENSES, MARINE CORPS

17 For provisions, subsistence, and so forth, \$5,495,000;

18 For transportation of troops, and so forth, \$2,220,000;

19 For miscellaneous supplies and expenses, \$1,680,000;

20 In all, to be accounted for as one fund, \$9,395,000.

#### 21 INCREASE AND REPLACEMENT OF NAVAL

#### 22 VESSELS

23 Armor, armament, and ammunition: The Secretary of  
 24 the Navy is hereby authorized to enter into contracts, in addi-  
 25 tion to existing appropriations therefor, for tools, equipment,  
 26 and facilities in and land for public and private plants for the

1 manufacture or production of ordnance material, munitions,  
2 and armor, and for the protection of private plants, in an  
3 amount of \$100,000,000, the total amount authorized in this  
4 and prior Acts for such purposes being \$595,000,000.

5 REPAIR FACILITIES, NAVY

6 Repair facilities, Navy: The Secretary of the Navy is  
7 hereby authorized to enter into contracts, in addition to  
8 existing appropriations therefor, for repair facilities in the  
9 amount of \$25,000,000.

10 COAST GUARD

11 General expenses, Coast Guard, \$1,543,000: *Provided*,  
12 That existing limitations upon amounts that may be used  
13 by the Coast Guard during the fiscal years 1942 and 1943 for  
14 purchase, exchange, maintenance, operation, and repair of  
15 motor-propelled passenger-carrying vehicles are hereby  
16 suspended.

17 Construction of vessels and shore facilities, Coast Guard,  
18 including rental of shore facilities for temporary use,  
19 \$21,400,000.

20 NAVAL EMERGENCY FUND

21 Naval emergency fund, including naval objects and pur-  
22 poses other than personal services, whether or not provided  
23 for under other naval appropriations, which the Secretary  
24 of the Navy may deem essential to the war effort, to remain  
25 available until June 30, 1943, \$10,000,000.

## GENERAL PROVISIONS

1  
2 SEC. 201. Whenever the President deems it to be in  
3 the interest of national defense he may authorize the Secre-  
4 tary of the Navy to sell, transfer title to, exchange, lease,  
5 lend, or otherwise dispose of, to the government of any  
6 country whose defense the President deems vital to the  
7 defense of the United States, any defense articles procured  
8 from funds appropriated in this title, in accordance with the  
9 provisions of the Act of March 11, 1941 (Public Law 11) :  
10 *Provided*, That the total value of articles disposed of under  
11 this authority shall not exceed \$18,000,000: *Provided fur-*  
12 *ther*, That the term "defense article" as used herein shall  
13 be deemed to include defense information and services, and  
14 the expenses in connection with the procurement or supply-  
15 ing of defense articles, information, and services: *Provided*  
16 *further*, That the limitation of \$2,500,000,000 established  
17 in section 301 of the Act of February 7, 1942 (Public Law  
18 441), shall apply to all appropriations made to the Navy  
19 Department since March 11, 1941.

20 SEC. 202. This title may be cited as "Title VII, Naval  
21 Appropriation Act, 1942".

## TITLE III—GENERAL APPROPRIATIONS

## LEGISLATIVE

## HOUSE OF REPRESENTATIVES

25 Contingent expenses: The appropriations for the fiscal  
26 years 1942 and 1943 for folding speeches and pamphlets shall



1 also be available, in addition to the rate of compensation spec-  
 2 ified therein, for employment of personnel at a rate not to  
 3 exceed \$4 per day per person; and as to such appropriation  
 4 for the fiscal year 1942, such latter rate shall be effective  
 5 March 23, 1942.

#### 6 ARCHITECT OF THE CAPITOL

7 Capitol Power Plant: For an additional amount for light-  
 8 ing, heating, and power for the Capitol, Senate and House  
 9 Office Buildings, Supreme Court Building, Congressional  
 10 Library Buildings, and so forth, including the objects speci-  
 11 fied under this head in the Legislative Branch Appropria-  
 12 tion Act, 1942, \$59,847.

#### 13 THE JUDICIARY

##### 14 SUPREME COURT OF THE UNITED STATES

15 Preparation of Rules for Civil Procedure: For all ex-  
 16 penses of the Supreme Court of the United States to provide  
 17 for expenses of the committee designated by the Court as a  
 18 continuing advisory committee to advise the Court with  
 19 respect to proposed amendments or additions to the rules of  
 20 Civil Procedure for the District Courts of the United States  
 21 pursuant to the Act entitled "An Act to give the Supreme  
 22 Court of the United States authority to make and publish  
 23 Rules in Actions at Law", approved June 19, 1934, includ-  
 24 ing personal services in the District of Columbia and else-  
 25 where and printing and binding, to be expended as the Chief

1 Justice in his discretion may direct, including such per diem  
2 allowances in lieu of actual expenses for subsistence at rates  
3 to be fixed by him not to exceed \$10 per day, fiscal years  
4 1942 and 1943, \$15,800.

5 INDEPENDENT EXECUTIVE AGENCIES

6 CIVIL SERVICE COMMISSION

7 National defense activities: For an additional amount  
8 for national defense activities, fiscal year 1942, including  
9 the objects specified under this heading in the Independent  
10 Offices Appropriation Act, 1942, \$800,000.

11 FEDERAL SECURITY AGENCY

12 OFFICE OF EDUCATION

13 Education and training, defense workers (national de-  
14 fense): For an additional amount for payments to States,  
15 and so forth (national defense), fiscal year 1942, for the  
16 cost of short courses of college grade, as provided in para-  
17 graph (3) under this head in the Federal Security Agency  
18 Appropriation Act, 1942, \$3,000,000.

19 The appropriation made by paragraph "(1)" under the  
20 heading "Education and training, defense workers (na-  
21 tional defense)" in the Federal Security Agency Appro-  
22 priation Act, 1942, shall also be available for the cost of  
23 vocational courses (either by classes or by individuals) of  
24 less than college grade in private vocational schools (regard-  
25 less of tax liability) and in other private facilities where  
26 equipment for training is available.

## SOCIAL SECURITY BOARD

Grants to States for old-age assistance: For an additional amount for grants to States for old-age assistance, subject to the conditions specified under this heading in the Federal Security Agency Appropriation Act, 1942. \$30,000,000.

Grants to States for unemployment compensation administration: For an additional amount, fiscal year 1942, for unemployment compensation administration, including grants to States, \$10,000,000, which, together with the appropriation under this heading in the Federal Security Agency Appropriation Act, 1942, shall be available, in addition to the objects specified under said heading, for the administration by the Social Security Board of public employment offices in the various States, including printing and binding and the transfer of household goods and effects, as provided in the Act of October 10, 1940: *Provided*, That the Federal Security Administrator may delegate to such officers or employees as he may designate for the purpose all authority in connection with the transfer of personnel and household goods and effects from one official station to another.

## PUBLIC HEALTH SERVICE

Pay of personnel and maintenance of hospitals: For an additional amount, fiscal year 1942, for pay of personnel and



1 maintenance of hospitals, including the objects and subject  
2 to the limitations specified under this head in the Federal  
3 Security Agency Appropriation Act, 1942, \$453,000.

4 SAINT ELIZABETHS HOSPITAL

5 Continuous-treatment buildings: For an additional  
6 amount for the completion of construction and equipment,  
7 in the grounds of the hospital, of two continuous-treatment  
8 buildings, \$200,000, to remain available until completion of  
9 said work.

10 FEDERAL WORKS AGENCY

11 National Bureau of Standards, additional facilities, Wash-  
12 ington, District of Columbia: For the construction of a serv-  
13 ice building and a second story on the existing radio labora-  
14 tory building on the grounds of the National Bureau of Stand-  
15 ards, Washington, District of Columbia, including all admin-  
16 istrative expenses in connection therewith, \$280,000.

17 Emergency safeguarding of public buildings and prop-  
18 erty: To enable the Public Buildings Administration, inde-  
19 pendently or in cooperation with other agencies of the Gov-  
20 ernment, without regard to sections 3709 and 355 of the  
21 Revised Statutes and section 322 of the Act of June 30,  
22 1932, to provide for the emergency safeguarding from sub-  
23 versive hostile acts and overt acts of aggression or depreda-  
24 tion of the following: (1) Federal buildings and leased  
25 quarters wholly occupied by the Government, regardless of

1 location, jurisdiction, and control (except those under the  
2 control of the War and Navy Departments) ; (2) adminis-  
3 trative buildings of the government of the District of Colum-  
4 bia; (3) utilities, not otherwise protected, that are necessary  
5 for the operation of such buildings; and (4) records, valuable  
6 materials, and other property of the United States, and all  
7 expenses incident to the foregoing including the construction  
8 or rental of buildings and other facilities for storage purposes  
9 within and outside the District of Columbia and the purchase  
10 or rental of land therefor, the remodeling of such buildings  
11 necessary for the protection of records, valuable materials,  
12 and other property, and the extension and protection, not  
13 otherwise provided, of Government-owned utilities, and for  
14 all expenses incident to the foregoing, including the purchase  
15 of materials, equipment, and apparatus, and repairs, con-  
16 struction or reconstruction of buildings damaged by such  
17 subversive or overt acts; personal services in the District of  
18 Columbia and elsewhere without regard to the civil-service  
19 or classification laws, \$12,500,000, to remain available dur-  
20 ing the existence of the emergency declared by the President  
21 May 27, 1941, of which amount not exceeding \$350,000  
22 may be used for administrative expenses: *Provided*, That  
23 the cost-plus-a-percentage-of-cost system of contracting shall  
24 not be used, but this proviso shall not be construed to prevent  
25 the use of a cost-plus-a-fixed-fee form of contract: *Provided*

1 *further*, That codes developed as guides for the accomplish-  
2 ment of the purposes hereof shall be subject to the approval  
3 of the Federal Works Administrator: *Provided further*, That  
4 activities with respect to subversive hostile acts shall be co-  
5 ordinated with the facility security program of the Office of  
6 Civilian Defense: *Provided further*, That so much of the fore-  
7 going appropriation (not to exceed \$100,000) as may be  
8 needed for the Capitol Building and Grounds, Senate Office  
9 Building, House Office Buildings, Library of Congress Build-  
10 ings, United States Botanic Garden Buildings, Capitol Power  
11 Plant, Legislative Garage, United States Supreme Court  
12 Building, and any other buildings for which the Architect  
13 of the Capitol is responsible for structural and mechanical  
14 care, shall be transferred on the books of the Treasury from  
15 time to time as may be agreed upon by the Architect of  
16 the Capitol and the Commissioner of Public Buildings, for  
17 direct expenditure by such Architect under the authority  
18 of this paragraph, and including professional and technical  
19 services without reference to section 35 of the Public Build-  
20 ings Act of June 25, 1910, as amended.

21 Salaries and expenses, public buildings and grounds in  
22 the District of Columbia and adjacent area: For an addi-  
23 tional amount for salaries and expenses, public buildings and  
24 grounds in the District of Columbia and adjacent area, fiscal  
25 year 1942, including the objects specified under this



1 head in the Independent Offices Appropriation Act, 1942,  
2 \$3,413,394: *Provided*, That the limitation upon the amount  
3 which may be expended for purchase, repair, and cleaning  
4 of uniforms for guards and elevator conductors for the fiscal  
5 year 1942 is hereby waived.

6 Salaries and expenses, public buildings and grounds out-  
7 side the District of Columbia: For an additional amount for  
8 salaries and expenses, public buildings and grounds outside  
9 the District of Columbia, fiscal year 1942, including the  
10 objects specified under this head in the Independent Offices  
11 Appropriation Act, 1942, \$278,627.

12 PUBLIC ROADS ADMINISTRATION

13 Access roads: Authority is hereby granted, in addition  
14 to the authority granted for the same purpose under this  
15 heading in the Third Supplemental National Defense Appro-  
16 priation Act, 1942, to enter into contracts in the amount  
17 of \$20,000,000 for the construction and improvement of  
18 access roads and for replacing existing highways and high-  
19 way connections as described in and in accordance with  
20 section 6 of the Defense Highway Act of 1941 (Public  
21 Law 295), such authority to continue during the existence  
22 of the emergency declared by the President on May 27, 1941.

23 VETERANS' ADMINISTRATION

24 Administration, medical, hospital, and domiciliary serv-  
25 ices: For an additional amount, fiscal year 1942, for all

1 salaries and expenses of the Veterans' Administration, in-  
2 cluding the objects and subject to the limitations specified  
3 under this head in the Independent Offices Appropriation  
4 Act, 1942, \$1,600,000.

5       Printing and binding: For an additional amount for  
6 printing and binding for the Veterans' Administration, fiscal  
7 year 1942, \$70,000.

## 8                   DEPARTMENT OF AGRICULTURE

### 9                               FOREST SERVICE

#### 10                                       SALARIES AND EXPENSES

11       National forest protection and management: For an ad-  
12 ditional amount for national forest protection and manage-  
13 ment, to be used for the care of plantations and young  
14 growth, fiscal year 1942, \$250,000, to remain available  
15 until June 30, 1943.

16       Forest-fire control, Department of Agriculture (emer-  
17 gency) : For all necessary expenses to enable the Secretary  
18 of Agriculture, independently or in cooperation with the vari-  
19 ous States or other appropriate agencies or individuals, to  
20 intensify and augment forest-fire prevention and suppression  
21 measures in critical areas on Federal, State, county, municipi-  
22 pal, or private lands, including the purchase (not to exceed  
23 \$5,000), operation, and maintenance of passenger-carrying  
24 vehicles, and not to exceed \$15,000 for personal services in  
25 the District of Columbia, fiscal year 1942, \$2,000,000, to

1 remain available until June 30, 1943: *Provided*, That there  
 2 shall not be expended from this appropriation on non-Federal  
 3 lands in any State any amount in excess of the amount made  
 4 available by the State, or private agencies, or individuals  
 5 for the purposes of this appropriation: *Provided further*,  
 6 That sections 2 and 3 of the Department of Agriculture  
 7 Appropriation Act, 1942, or similar provisions in this Act  
 8 or in the Act making appropriations for said Department  
 9 for the fiscal year 1943 shall not apply to persons employed  
 10 hereunder for less than sixty days on sudden emergency  
 11 work involving the loss of human life or destruction of  
 12 property.

13 BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

14 Control of incipient and emergency outbreaks of insect  
 15 pests and plant diseases: To enable the Secretary of Agricul-  
 16 ture to carry out the provisions of and for expenditures au-  
 17 thorized by the joint resolution approved May 9, 1938 (7  
 18 U. S. C. 148-148e), fiscal year 1942, \$1,665,000, to re-  
 19 main available until June 30, 1943.

20 EMERGENCY RUBBER PROJECT

21 For all expenses necessary to enable the Secretary of  
 22 Agriculture to carry into effect the provisions of the Act of  
 23 March 5, 1942 (Public Law 473), and in accordance with  
 24 the provisions thereof, including personal services in the Dis-  
 25 trict of Columbia and elsewhere (including alien labor) ;



1 printing and binding without regard to section 11 of the Act  
2 of March 1, 1919 (44 U. S. C. 111) ; purchase of books of  
3 reference and periodicals; the purchase (not to exceed  
4 \$13,000), operation, and maintenance of passenger-carrying  
5 vehicles; the exchange of passenger-carrying and other  
6 motor vehicles, tractors, and other equipment and parts  
7 or accessories thereof, in whole or in part payment for  
8 similar equipment; the erection of necessary buildings;  
9 the procurement of medical supplies and services for  
10 emergency use in the field; and the acceptance of dona-  
11 tions of land and rubber-bearing plants, \$4,200,000, to re-  
12 main available until June 30, 1943: *Provided*, That any  
13 proceeds from the sales of guayule, rubber processed from  
14 guayule, or other rubber-bearing plants, or from other  
15 sales resulting from operations under such Act of March 5,  
16 1942, shall be covered into the Treasury as "Miscellaneous  
17 receipts": *Provided further*, That the allocations of  
18 \$884,000 and \$750,000 for these purposes from the  
19 emergency fund for the President in the Independent Offices  
20 Appropriation Act, 1942, made by letter Numbered 42-75,  
21 dated February 6, 1942, and letter Numbered 42-89,  
22 dated March 10, 1942, respectively, shall be transferred to  
23 and made a part of this appropriation, and immediately  
24 thereafter an amount equal to such allocation shall be repaid  
25 to said Emergency Fund for the President (Public Law 473,  
26 Seventy-seventh Congress).

## DEPARTMENT OF COMMERCE

## BUREAU OF THE CENSUS

Expenses of the Sixteenth Census: For an additional amount for continuing the work of taking, compiling, and publishing the Sixteenth Census of the United States, fiscal year 1942, including the objects specified under this head in the Department of Commerce Appropriation Act, 1942, \$500,000.

## OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

Enforcement of safety regulations: For an additional amount, fiscal year 1942, for enforcement of safety regulations, including the objects specified under this head in the Department of Commerce Appropriation Act, 1942, \$166,000.

Establishment of air-navigation facilities: For an additional amount, fiscal year 1942, for establishment of air-navigation facilities, including the objects specified under this head in the Department of Commerce Appropriation Act, 1942, \$1,940,000: *Provided*, That this appropriation and the unobligated balances of the appropriations for this purpose contained in said Appropriation Act and in the First Supplemental National Defense Appropriation Act, 1942, shall continue available until June 30, 1943.

Maintenance and operation of air-navigation facilities: For an additional amount, fiscal year 1942, for maintenance

1 and operation of air-navigation facilities, including the ob-  
2 jects specified under this head in the Department of Com-  
3 merce Appropriation Act, 1942, and including the training  
4 of employees to be assigned to the operation and maintenance  
5 of air-navigation facilities, \$823,720: *Provided*, That the  
6 limitation on the amount which may be expended for airport  
7 traffic control contained in the First Supplemental National  
8 Defense Appropriation Act, 1942, is hereby removed.

9       Development of landing areas: The unexpended balances  
10 of the appropriations under this head made by the First Sup-  
11 plemental Civil Functions Appropriation Act, 1941, the  
12 Department of Commerce Appropriation Act, 1942, the First  
13 Supplemental National Defense Appropriation Act, 1942, and  
14 the Third Supplemental National Defense Appropriation Act,  
15 1942, are hereby consolidated, to be accounted for as one  
16 fund, which shall be available until June 30, 1943, for the  
17 construction, improvement, and repair of public airports and  
18 other public landing areas as authorized in said Acts and for  
19 necessary administrative expenses incident thereto, subject  
20 to the limitations in said Acts, including engineering services  
21 and supervision of construction: *Provided*, That this appro-  
22 priation shall be available for transfer to other Federal agen-  
23 cies to carry out the purposes hereof as specified under this  
24 head in the Department of Commerce Appropriation Act,  
25 1942.



## 1 COAST AND GEODETIC SURVEY

2 Amounts appropriated for "Magnetic and seismological  
3 work" and "Office force", Coast and Geodetic Survey, in the  
4 Department of Commerce Appropriation Act, 1941, are  
5 hereby increased by \$380 and \$830, respectively, by transfer  
6 from the appropriation contained in said Act for "Field ex-  
7 penses, coastal surveys", Coast and Geodetic Survey.

## 8 DEPARTMENT OF THE INTERIOR

## 9 OFFICE OF THE SECRETARY

10 Fire protection of forests, forest industries, and strategic  
11 facilities (national defense): For all necessary expenses to  
12 enable the Department of the Interior independently or in  
13 cooperation with other appropriate agencies to initiate and  
14 intensify and augment forest fire prevention and suppression  
15 measures on critical forest, brush, and grass areas under the  
16 administration of the Department of the Interior, including  
17 not to exceed \$8,000 for personal services in the District of  
18 Columbia; purchase (not to exceed \$6,000), maintenance,  
19 operation, and repair of passenger-carrying automobiles;  
20 hire, with or without personal services, of work animals and  
21 animal-drawn and motor-propelled vehicles and equipment;  
22 and purchase in the District of Columbia or elsewhere of other  
23 items otherwise properly chargeable to the appropriation  
24 "Contingent expenses, Department of the Interior", fiscal  
25 year 1942, \$324,800, to remain available until June 30,

1 1943: *Provided*, That for sudden emergency work involving  
2 the loss of human life or the destruction of property, persons  
3 may be employed for periods of less than sixty days and be  
4 paid salaries or wages from this appropriation without the  
5 necessity of inquiring into their citizenship or membership  
6 in any organization.

7       Protection of mineral resources and facilities, including  
8 petroleum (national defense): For all necessary expenses  
9 to enable the Department of the Interior independently or  
10 in cooperation with other appropriate agencies, public or  
11 private, to initiate and intensify and augment measures to  
12 prevent subversive activities from interfering with the extrac-  
13 tion and processing of minerals and petroleum, including not  
14 to exceed \$50,000 for personal services in the District of  
15 Columbia; purchase (not to exceed \$50,000), maintenance,  
16 operation, and repair of passenger-carrying automobiles; trav-  
17 eling expenses, including expenses of attendance at meetings  
18 of members of societies or associations concerned with the  
19 furtherance of the purposes hereof; hire, with or without  
20 personal services, of work animals and animal-drawn and  
21 motor-propelled vehicles and equipment; not to exceed  
22 \$6,000 for printing and binding; purchase of special apparel  
23 and equipment for the protection of employees while engaged  
24 in their work; and purchase in the District of Columbia and  
25 elsewhere of other items otherwise properly chargeable to

1 the appropriation "Contingent expenses, Department of the  
2 Interior", fiscal year 1942, \$800,000, to remain available  
3 until June 30, 1943.

4 GOVERNMENT IN THE TERRITORIES

5 Contingent expenses, Territory of Alaska: For an addi-  
6 tional amount for incidental and contingent expenses of the  
7 offices of the Governor and the Secretary of the Territory,  
8 including the objects specified for the appropriation for this  
9 purpose in the Interior Department Appropriation Act,  
10 1942, fiscal year 1942, \$1,300, of which \$525 shall be for  
11 clerk hire.

12 Defraying deficits in treasuries of municipal govern-  
13 ments, Virgin Islands: For an additional amount, fiscal  
14 year 1942, for defraying the deficit in the treasury of the  
15 municipal government of Saint Croix because of the excess  
16 of current expenses over current revenues for the fiscal year  
17 1942, \$10,000.

18 DEPARTMENT OF JUSTICE

19 IMMIGRATION AND NATURALIZATION SERVICE

20 Salaries and expenses: For an additional amount for  
21 "Salaries and expenses, Immigration and Naturalization  
22 Service", fiscal year 1942, including the objects specified  
23 under this heading in the Department of Justice Appropria-  
24 tion Act, 1942, \$4,750,000, including alterations, improve-  
25 ments, and repairs to premises occupied for detention pur-



1 poses without regard to section 322 of the Act of June 30,  
2 1932 (40 U. S. C. 278a), when authorized or approved  
3 by the Attorney General, and for all necessary expenses  
4 incident to the maintenance, care, detention, surveillance,  
5 parole, and transportation of alien enemies, including trans-  
6 portation and other expenses in the return of such aliens  
7 to place of bona fide residence or to such other place as  
8 may be authorized by the Attorney General.

9

## MISCELLANEOUS

10 Lands Division, salaries and expenses: For an additional  
11 amount for salaries and expenses, Lands Division, Depart-  
12 ment of Justice, fiscal year 1942, including the objects  
13 specified under this head in the Department of Justice  
14 Appropriation Act, 1942, \$300,000.

15 Alien Enemy Control Unit, salaries and expenses: For  
16 salaries and expenses in connection with the registration and  
17 control of alien enemies in accordance with sections 4067-  
18 4070 of the Revised Statutes of the United States, as amended  
19 (50 U. S. C. 21-24), including personal services in the  
20 District of Columbia and elsewhere; traveling expenses; pur-  
21 chase, exchange, rental, and repair of typewriters and other  
22 labor-saving office appliances; printing and binding; and all  
23 other contingent expenses in the District of Columbia and  
24 elsewhere, fiscal year 1942, \$1,700,000, to remain available

14 until June 30, 1943, of which not to exceed \$200,000 may  
 15 be expended for personal services without regard to the civil  
 16 service and classification laws: *Provided*, That this appro-  
 17 priation shall be available for transfer to or reimbursement  
 18 of other public agencies, Federal, State, or local, for assist-  
 19 ance rendered hereunder: *Provided further*, That \$325,000  
 20 of this appropriation shall be transferred to the emergency  
 21 fund for the President created by the Independent Offices  
 22 Appropriation Act, 1942, in reimbursement of said appro-  
 23 priation on account of the advance therefrom of a like sum for  
 24 the purposes hereof.

## 25 DEPARTMENT OF LABOR

### 14 OFFICE OF THE SECRETARY

15 Commissioners of conciliation (national defense): For  
 16 an additional amount for the fiscal year 1942 for "Commis-  
 17 sioners of conciliation (national defense)", including the  
 18 objects specified under this heading in the Department of  
 19 Labor Appropriation Act, 1942, \$76,500.

20 Wage and Hour Division: Not to exceed \$45,000 of  
 21 the appropriation "Salaries, Wage and Hour Division, De-  
 22 partment of Labor, 1942", may be transferred to the appro-  
 23 priation "Miscellaneous expenses, Wage and Hour Division,  
 24 Department of Labor, 1942".

## 1 POST OFFICE DEPARTMENT

2 (OUT OF THE POSTAL REVENUES)

## 3 CONTINGENT EXPENSES

4 Printing and binding: For an additional amount for  
5 printing and binding for the Post Office Department, fiscal  
6 year 1942, \$235,000.

## 7 DEPARTMENT OF STATE

## 8 PASSPORT AGENCIES

9 For an additional amount for passport agencies, including  
10 the objects specified under this heading in the Department  
11 of State Appropriation Act, 1942, \$7,000; and the limitation  
12 of \$500 for travel expenses is hereby increased to \$1,100.

## 13 AMBASSADORS AND MINISTERS

14 Salaries, ambassadors and ministers, 1942: The appro-  
15 priation for salaries of ambassadors and ministers contained  
16 in the Department of State Appropriation Act, 1942, shall  
17 be available for salaries of Ambassadors Extraordinary and  
18 Plenipotentiary to Bolivia, Ecuador, and Paraguay, at the  
19 rate of \$10,000 per annum each, and for the salary of an  
20 Envoy Extraordinary and Minister Plenipotentiary to New  
21 Zealand at the rate of \$10,000 per annum.

## 22 TREASURY DEPARTMENT

## 23 OFFICE OF THE SECRETARY

24 Salaries and expenses, Foreign-owned property control:  
25 For an additional amount for salaries and expenses, foreign-  
26 owned property control, fiscal year 1941, including the



1 objects specified under this heading in the Second Deficiency  
 2 Appropriation Act, 1940, \$30,412.

3 For an additional amount for salaries and expenses, for-  
 4 eign-owned property control, fiscal year 1942, including the  
 5 objects specified under this heading in the Treasury Depart-  
 6 ment Appropriation Act, 1942, \$2,500,000.

7 BUREAU OF ACCOUNTS

8 Division of Disbursement: For an additional amount for  
 9 the Division of Disbursement, fiscal year 1942, including the  
 10 objects specified under this heading in the Treasury Depart-  
 11 ment Appropriation Act, 1942, \$200,000: *Provided*, That  
 12 the responsibility and accountability of certifying officers un-  
 13 der the Act of December 29, 1941 (Public Law 389), shall  
 14 be deemed to include the correctness of the computations of  
 15 certified vouchers and disbursing officers shall not be held  
 16 accountable under section 1 of such Act for the correctness  
 17 of such computations.

18 There may be transferred with the approval of the Direc-  
 19 tor of the Bureau of the Budget, not to exceed \$75,000 from  
 20 the appropriation for administrative expenses of the Procure-  
 21 ment Division, Treasury Department, contained in section 2  
 22 (a) of the Emergency Relief Appropriation Act, fiscal year  
 23 1942, to the appropriation for administrative expenses of the  
 24 Division of Disbursement, contained in the same section of  
 25 such Act.

## 1 OFFICE OF TREASURER OF UNITED STATES

2 Salaries: For an additional amount for salaries, Office  
3 of Treasurer of United States, fiscal year 1942, including the  
4 objects specified under this heading in the Treasury Depart-  
5 ment Appropriation Act, 1942, \$100,000.

## 6 TITLE IV—GENERAL PROVISIONS

7 SEC. 401. Section 2 of the First Supplemental National  
8 Defense Appropriation Act, 1942, and the last proviso under  
9 the caption Military Posts in title IV, Military Appropriation  
10 Act, 1941, are hereby repealed.

11 SEC. 402. No part of any appropriation contained in  
12 this Act shall be used to pay the salary or wages of any  
13 person who advocates, or who is a member of an organi-  
14 zation that advocates, the overthrow of the Government of  
15 the United States by force or violence: *Provided*, That for  
16 the purposes hereof an affidavit shall be considered prima  
17 facie evidence that the person making the affidavit does not  
18 advocate, and is not a member of an organization that advo-  
19 cates, the overthrow of the Government of the United States  
20 by force or violence: *Provided further*, That any person  
21 who advocates, or who is a member of an organization that  
22 advocates, the overthrow of the Government of the United  
23 States by force or violence and accepts employment the  
24 salary or wages for which are paid from any appropriation  
25 in this Act shall be guilty of a felony and, upon conviction,

1 shall be fined not more than \$1,000 or imprisoned for not  
2 more than one year, or both: *Provided further*, That the  
3 above penalty clause shall be in addition to, and not in  
4 substitution for, any other provisions of existing law.

5 SEC. 402A. No part of any appropriation contained in  
6 this Act shall be available to pay that portion of a contract  
7 for construction of any character and/or procurement of  
8 material and supplies for either the Military or Naval Estab-  
9 lishments, designated as "final payment" to any contractor  
10 who fails to file with the procuring agency a certificate of  
11 costs and an agreement for renegotiation of contract and  
12 reimbursement of profits in excess of 6 per centum.

13 SEC. 403. No part of any appropriation contained in  
14 this Act or authorized hereby to be expended (except as  
15 otherwise provided for herein) shall be used to pay the  
16 compensation of any officer or employee of the Government  
17 of the United States, whose post of duty is in continental  
18 United States unless such person is a citizen of the United  
19 States, or a person in the service of the United States on  
20 the date of the approval of this Act who being eligible for  
21 citizenship had theretofore filed a declaration of intention to  
22 become a citizen or who owes allegiance to the United  
23 States. This section shall not apply to citizens of the Com-  
24 monwealth of the Philippines.

25 SEC. 404. Section 302 (c) of the Treasury and Post



1 Office Departments Appropriation Act, 1942, and section  
2 302 (c) of the Treasury and Post Office Departments Ap-  
3 propriation Act, 1943, are hereby repealed; and the limita-  
4 tion of \$750 specified in section 302 (a) of each of such  
5 Acts and any similar limitation of the same or a lesser sum  
6 specified in any other appropriation Act for such fiscal years  
7 may be exceeded by such amount as the Secretary of War,  
8 in the case of the War Department, the Secretary of the  
9 Navy, in the case of the Navy Department, and the Director  
10 of Procurement, in the case of other essential governmental  
11 needs, may determine necessary to obtain satisfactory motor-  
12 propelled passenger-carrying vehicles of the lightweight, low-  
13 priced class, but in no event shall the price so paid for any  
14 such vehicle exceed \$862.50 free on board factory.

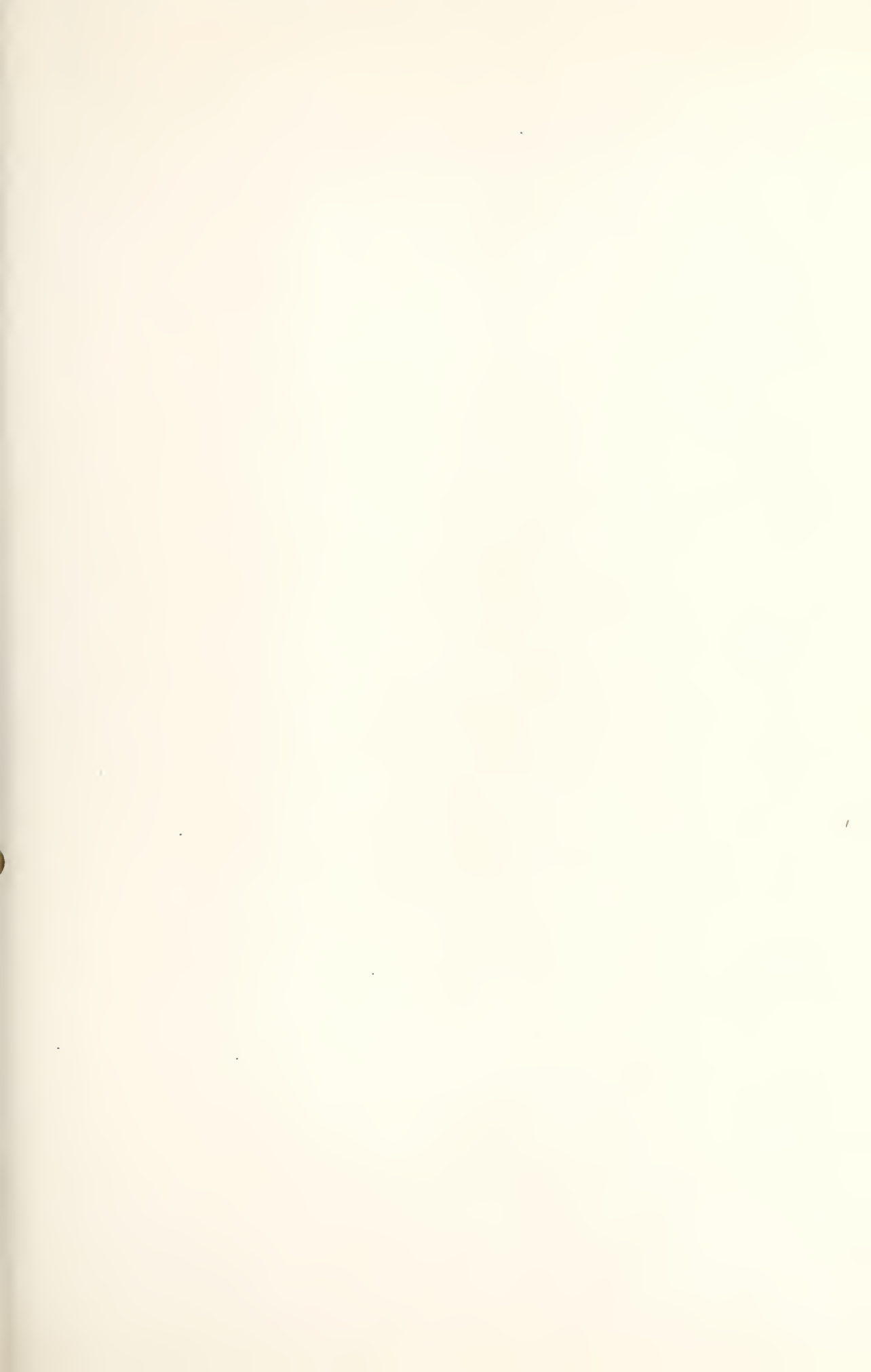
15 SEC. 405. This Act may be cited as the "Sixth Supple-  
16 mental National Defense Appropriation Act, 1942".

Passed the House of Representatives March 28, 1942.

Attest:

SOUTH TRIMBLE,

*Clerk.*



## AN ACT

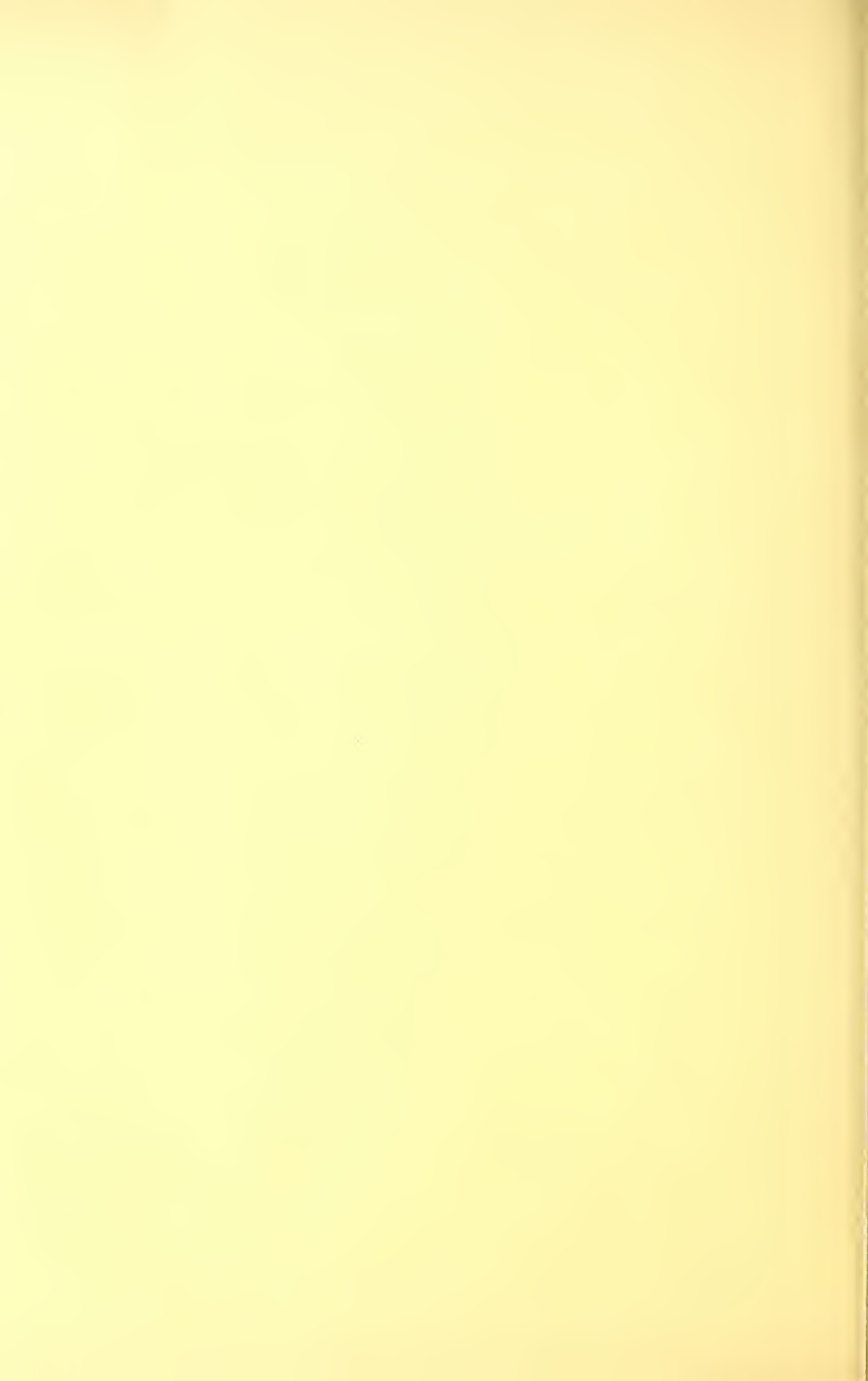
Making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

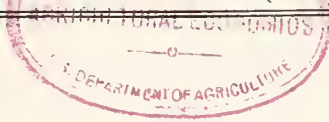
MARCH 30, 1942

Read twice and referred to the Committee on Appropriations









## SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

APRIL 4, 1942.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

## REPORT

[To accompany H. R. 6868]

The Committee on Appropriations, to whom was referred the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, report the same to the Senate with amendments, and submit herewith information relative to the changes made:

Amount of bill as passed the House.....	\$18, 156, 961, 345. 00
Amount added by Senate.....	905, 411, 915. 18
Amount of bill as reported to the Senate..	19, 062, 373, 260. 18

The changes in the amounts of the House bill recommended by the committee are as follows:

## INCREASES AND LIMITATIONS

## War Department—Title I:

The committee recommend that the following proviso be deleted:

"For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943, to be supplemental to, and to be merged with, the appropriations under the same heads in the Military Appropriation Act, 1942, including the objects and subject to the limitations and conditions specified under such heads, respectively, in such Act, as follows:"



## War Department—Title I—Continued.

And that the following be inserted in lieu thereof:

*For additional amounts for appropriations for the Military Establishment, fiscal year 1942, which, together with the unexpended balances remaining under all appropriations for the Military Establishment for the fiscal years 1940 and 1941, shall be supplemental to, merged with, and become a part of, the appropriations under the respective heads in the Military Appropriation Act, 1942, as amended by Acts supplemental thereto, including the objects and subject to the limitations and conditions specified under said heads, respectively, in those Acts, except as otherwise provided herein; and such appropriations heretofore and herein made shall remain available until June 30, 1943, for the purposes of such appropriations, including obligations chargeable against appropriations for the Military Establishment for the respective purposes of said appropriations for the fiscal years 1940 and 1941, as follows:*

(This amendment is proposed to authorize the War Department to simplify its accounting procedures. At present, three separate accounts must be maintained for each appropriation: One for the current fiscal year and one for each of the past two fiscal years. This same burdensome overlapping of appropriation accounts likewise requires the General Accounting Office as well as the Treasury to carry three accounts for each appropriation. The proposed amendment, would permit one account for each type of expenditure instead of three. This procedure would reduce by two-thirds the number of accounts to be maintained.)

Army Specialist Corps-----

\$2, 218, 100. 00

The committee recommend that the following language be added to the bill:

*including the pay of members of the Army Specialist Corps, \* \* \*: Provided, That members of that Corps who are assigned to supply services of the Army may be paid from the appropriations for the work upon which they are engaged: Provided further, That no part of this appropriation shall be available to pay the salary of any member of that Corps unless such member is appointed by the President, by and with the advice and consent of the Senate*

Army transportation:

For chartering of merchant ships-----

56, 499, 798. 00

General provisions:

The committee recommend that the following language be deleted:

*"persons who have lost their citizenship by serving in the armed forces of another nation but who apply and are accepted for service in the Army of the United States"*

and that the following be inserted in lieu thereof:

*military personnel*

(Under the provisions of the Selective Training and Service Act, noncitizens may be inducted into the Army of the United States and paid only so long as his status remains that of a selective trainee. The proposed amendment removes this restriction so that any noncitizen selective trainee may have an equal opportunity

**War Department—Title I—Continued.**

## General provisions—Continued.

to attend an officers' candidate school and receive payment, if commissioned upon graduation.)

Total, War Department, title I-----	\$58,717,898.00
-------------------------------------	-----------------

**Navy Department—Title II:**

## Bureau of Navigation:

## Training, education, and welfare, Navy:

The committee recommend that the following provision be added to the bill:

*Funds appropriated under the heading "Welfare and Recreation" shall be available for the hire and use of buildings, grounds, services, facilities, and subsistence for rehabilitation and recuperation of naval personnel returned from war service at sea or on shore beyond the continental limits of the United States including, Alaska, the Canal Zone and insular possessions.*

(Commanders of forces afloat have urgently requested that provisions be provided for the rest, recuperation, and reconditioning of personnel who have been at sea on war service. Personnel of ships, submarines, and aircraft operating under war conditions become tense and strained and are in subnormal physical condition. As the war becomes more intensified the need for relaxation upon return to base can be expected to be more apparent. Temporary makeshift arrangements that have been provided for in the Hawaiian area for this purpose for submarine crews have proved to be beneficial. Provisions have been made for the personnel of the British Navy for this purpose and reports indicate that this is also true for the personnel of the German forces.)

## Bureau of Yards and Docks:

Maintenance-----	9,000,000.00
Public Works-----	800,000,000.00

Total, Bureau of Yards and Docks-----	809,000,000.00
---------------------------------------	----------------

## Marine Corps:

The committee recommend that the following provision be added to the bill:

*Provided, That the appropriations under this heading for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to Marines given discharges for bad conduct, undesirability, unfitness, or inaptitude*

(The limitation on the cost of such civilian clothing in the case of enlisted men in the Navy was increased from \$15 to \$25 per man in Public Law No. 441 (77th Cong.), for the fiscal years 1942 and 1943. The cost of such civilian clothing, in the case of men of the Marine Corps, is limited to \$15 per man by the act approved March 4, 1925. Due to the fact that many outfits of civilian garments for discharged Marines are provided through naval sources and

**Navy Department—Title II—Continued.****Marine Corps—Continued.**

for the further reason that the Marine Corps should be on a parity with other naval activities in this regard, the committee recommend this amendment.)

**Coast Guard:**

Maritime Training Fund.....

\$5, 000, 000. 00

The committee recommend that the following provision be added to the bill:

*Appropriations under the Coast Guard for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to members of the Coast Guard given discharges for bad conduct, undesirability, unfitness, or inaptitude.*

**General provisions:**

The committee recommend that the following provision be added to the bill:

*Sec. 202. The appropriations of the Navy Department for the fiscal years 1942 and 1943 shall be available to carry out the provisions of Executive Order Numbered 9112 of March 26, 1942.*

(Executive Order No. 9112 of March 26, 1942, authorizes the War and Navy Departments and the Maritime Commission to utilize the facilities of the Federal Reserve banks and the Board of Governors of the Federal Reserve System to finance the prime and sub-contractors who have taken procurement contracts, provided that the Secretaries of the Departments concerned guarantee the loans. This amendment is recommended in order to make the appropriations of the Navy Department available for carrying out the purposes of this order.)

Total, Navy Department, title II..

814, 000, 000. 00

**General appropriations—Title III:****Legislative:****Senate:****Inquiries and investigations:**

The committee recommend that the following provision be added to the bill:

*The unobligated balance of the appropriation for expenses of inquiries and investigations ordered by the Senate, contingent fund of the Senate, for the fiscal year 1942, is reappropriated and made available for the fiscal year 1943.*

**Folding speeches and pamphlets:**

The committee recommend that the following provision be added to the bill:

*The unobligated balance of the appropriation for folding speeches and pamphlets at a rate not exceeding \$1 per thousand, contingent fund of the Senate, for the fiscal year 1942, is reappropriated and made available for the fiscal year 1943.*



**General appropriations—Title III—Continued.**

## Federal Works Agency:

## Public Roads Administration:

## Access roads:

(The committee recommend a contract authorization for access roads of \$25,400,000, in lieu of a contract authorization of \$20,000,000 proposed by the House.)

## National Advisory Committee for Aeronautics:

## Aircraft Engine Research Laboratory, Cleveland, Ohio

\$3, 500, 000. 00

(The committee recommend that the limitation of \$13,300,000 upon the total cost of construction and equipment of this laboratory be increased to \$18,171,000.)

Selective Service System----- 3, 770, 000. 00

## Tennessee Valley Authority:

Beginning of construction of a fertilizer and elemental phosphorus manufacturing plant at or near Mobile, Ala., and acquisition of land in connection therewith-----

3, 000, 000. 00

(This item appears in the Independent Offices Appropriation Bill, 1943, and will be deleted therefrom inasmuch as the appropriation is recommended in the present bill.)

## District of Columbia:

## General expenses:

Department of Insurance, salaries----- 2, 445. 00

Office of Administrator of Rent Control, salaries and expenses----- 5, 400. 00

Total, general expenses----- 7, 845. 00

## Contingent and miscellaneous expenses:

Contingent expenses----- 7, 200. 00

Postage----- 4, 000. 00

Printing and binding----- 6, 500. 00

Total, contingent and miscellaneous expenses----- 17, 700. 00

## Collection and disposal of refuse:

## Street cleaning:

Additional obligation resulting from revision of District of Columbia per diem wage scale----- 14, 000. 00

Materials and supplies----- 6, 000. 00

Collection and disposal of refuse, expenses----- 40, 000. 00

Total, collection and disposal of refuse-- 60, 000. 00

## Public schools:

## Community Center Department:

For keeping school and recreational buildings open for evening operation----- 15, 000. 00

## Buildings and grounds:

Completion of 6 unfinished classrooms at the Lafayette School----- 45, 000. 00

Total, public schools----- 60, 000. 00

**General appropriations—Title III—Continued.**

## District of Columbia—Continued.

## Health Department:

Inspections.....	\$15,000.00
Tuberculosis Sanatoria:	
Expenses.....	40,000.00
Repairs and improvements:	
Installation of fire hydrants.....	9,173.00
Gallinger Municipal Hospital:	
Expenses.....	73,700.00
Repairs.....	6,500.00
Total, Health Department.....	144,373.00

## Courts:

Municipal Court.....	840.00
----------------------	--------

## Public welfare:

Jail.....	4,650.00
Workhouse and reformatory, expenses.....	12,000.00
District of Columbia Training School.....	15,000.00
Industrial Home School for Colored Children.....	5,000.00

Total, Public Welfare.....	36,650.00
----------------------------	-----------

## Militia:

Personal services.....	1,409.18
------------------------	----------

Total, District of Columbia.....	328,817.18
----------------------------------	------------

## Department of Agriculture:

## Forest Service:

National-forest protection and management.....	250,000.00
Forest-fire control (emergency).....	16,100,000.00

It is recommended by the committee that the following proviso be added to the bill:

*: Provided further, That the maintenance, including the pay of enrollees, of any Civilian Conservation Corps camps transferred to the Forest Service either by Congress, or by the President under authority granted by Section 801 of the Second War Powers Act, approved March 27, 1942, shall be payable out of this appropriation.*

## Bureau of Entomology and Plant Quarantine:

Control of incipient and emergency outbreaks of insect pests and plant diseases.....	185,000.00
--	------------

Total, Department of Agriculture.....	16,535,000.00
---------------------------------------	---------------

## Department of Commerce:

## Office of Administrator of Civil Aeronautics:

Establishment of air navigation facilities (automatic posting systems at New York and Washington).....	4,080,000.00
--	--------------

**General appropriations—Title III—Continued.**

## Interior Department:

Fire protection of forests, forest industries, and strategic facilities (national defense)-----	\$1, 240, 200. 00
---	-------------------

## Department of Labor:

Salaries and expenses, apprenticeship training program-----	90, 000. 00
Commissioners of Conciliation-----	150, 000. 00

Total, Department of Labor-----	240, 000. 00
---------------------------------	--------------

Total general appropriations—title III-----	32, 694, 017. 18
---	------------------

**General provisions—Title IV:**

## Section 401:

It is recommended by the committee that section 401 be stricken out and a new section inserted in lieu thereof.

*SEC. 401. The last proviso under the caption Military Posts in title IV, Military Appropriation Act, 1941 (Public, Numbered 800, Seventy-sixth Congress), is hereby repealed, and section 2 of the First Supplemental National Defense Appropriation Act, 1942, approved August 25, 1941 (Public Law 247, Seventy-seventh Congress), is hereby amended to read as follows:*

*"SEC. 2. It shall be the duty of the Secretary of War and the Secretary of the Navy, respectively, to file with the Congress, within sixty days after the end of each fiscal year, a complete list of all contracts in excess of \$50,000, including contracts for the purchase of land, undertaken during such fiscal year for the expenditure of funds appropriated by this or any other Act, showing (1) a summary of the subject matter of each contract; (2) the names of the contractors; (3) the names of the persons who approved the specifications, consummated the making or concluded the negotiation of any such contract on behalf of the Government, and of all persons who participated in the negotiations on behalf of the contractor; (4) if any such contract was awarded without competitive bidding, a statement of the principal or controlling reason for the selection of the contractor, and (5) as to contracts for the purchase of land, also the location, area, intended use, the purchase price and assessed value thereof."*

## Section 402A:

The committee recommend that the following section be stricken out:

*"SEC. 402A. No part of any appropriation contained in this Act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or Naval Establishments, designated as "final payment" to any contractor who fails to file with the procuring agency a certificate of costs and an agreement for renegotiation of contract and reimbursement of profits in excess of 6 per centum."*



**General provisions—Title IV—Continued.**

Section 404. Purchase of automobiles:

It is recommended by the committee that the limitations on the price of passenger-carrying motor vehicles be increased from \$862.50 as proposed by the House to \$925.

Total increase-----	\$905, 411, 915. 18
---------------------	---------------------

Amount of bill as reported to the Senate----	19, 062, 373, 260. 18
--	-----------------------









weapons and supplies with which to fight. It has become evident that the full production of the implements of war will not and cannot be obtained without expansion of work hours and the protection of production from interruption, which means sabotage of our defense program.

We urge you, it being, in our firm judgment, your patriotic duty—one which we are confident is approved by the overwhelming sentiment of this community and State—to advocate and support legislation of the following nature and purposes:

To suspend the 40-hour workweek for the duration of the war.

To make unlawful all strikes or lock-outs in war industries for the war period. No substitutes will do.

Respectfully.

That very concise statement is signed by more than 700 citizens of Sumner County. It is contrary to the rules of the Senate to print the names of petitioners, and, therefore, I cannot ask that the names be published in the RECORD, but I wish to say that the citizenship of this county is outstanding and of the highest character. The county was the home of such men as Gen. William B. Bate, who served in the Senate for many years; Edward W. Carmack, another brilliant Senator from Tennessee, and many others. There are no more patriotic or courageous people in the world than those of Sumner County, Tenn., and their opinion means much to me.

#### DON'T BLEED BUSINESS—EDITORIAL FROM PHILADELPHIA DISPATCH

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD a front-page editorial from the Philadelphia Dispatch of April 5, 1942, entitled "Don't Bleed Business." I also ask that the editorial be referred to the Finance Committee.

There being no objection, the editorial was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

#### DON'T BLEED BUSINESS

Your typical American industry isn't trying to profiteer out of this war. It isn't trying to double and redouble its profits. It knows perfectly well that the bulk of earnings will be taken in taxes, and it has no complaint to make about that. But industry does want to retain the right to do business, and that hinges upon its ability to make enough profit to keep going.

It is one thing to tax profits after they are made. It is a very different thing to tax the wealth which makes profits possible. It is one thing to assess profits for needed public revenue. It is quite another thing to take the money that is needed for expansion, for reasonable reserves, for experiment, for betterment, and for other expenditures which are necessary to industrial progress.

One reason we're fighting this war is to keep freedom of opportunity and enterprise alive. After the war, we hope, there will still be private business, private jobs, opportunities for all. Business will need money then to change back from a war to a peace economy. It will need a backlog to carry it through the period when war production suddenly stops, and peace production has not yet begun. It will need that, not primarily for its own sake, but for the sake of the millions of ordinary people who will want jobs and commodities and a place to invest their little savings.

This is what we must keep in mind in considering tax bills. We are going to have

superheavy war taxation—that's necessary. We are going to tax war profits right to the hilt; that, too, is necessary and proper. But we must not adopt a system of taxation which will take from us the ability to keep going and do business in the time-tested American way.

#### ATTITUDE OF THE AMERICAN LEGION WITH RESPECT TO THE WAR PROGRAM

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have received from Francis M. Sullivan, acting director of the legislative committee of the American Legion, setting forth the wishes of that organization with respect to the war program. I am in hearty accord with the American Legion legislative program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,  
NATIONAL LEGISLATIVE COMMITTEE,  
Washington, D. C., April 2, 1942.

DEAR SENATOR: The American Legion has expressed itself on the subject of work interruption in war-production plants at four of its important gatherings, such expressions being in the form of resolutions.

Our last national convention, held at Milwaukee last September, adopted the first of these. Additional resolutions came from our national executive committee at a meeting held at Indianapolis last November. The most recent declarations were made by our national defense committee and by our national legislative committee at meetings held at Washington, D. C.

A compilation of these expressions is attached hereto. It is the earnest hope of our organization that they will be given careful and serious consideration by the Congress in this hour of great crisis.

As you know, the American Legion's membership is over 1,100,000. A large number of our members are also from the ranks of labor. Our membership is but a cross section of the United States, and all phases of American life were represented when these resolutions were adopted, especially at the last national convention.

Very sincerely yours,

FRANCIS M. SULLIVAN,  
Acting Director,  
National Legislative Committee.

From the Milwaukee national convention, September 15-18, 1941:

"We demand continuing production in all industry vital to national defense and compulsory arbitration of all labor disputes therein.

"We commend those labor organizations which have sought to purge themselves of subversive elements."

Excerpt from universal-service resolution, adopted at Milwaukee national convention, September 15-18, 1941:

"For more than 20 years the American Legion has had before the Congress a program for universal service in time of emergency or national danger. We reaffirm the principle of universal service as applicable equally to the armed forces, capital, and labor, and we call upon those elements of capital and labor who have been parties to delay, disturbance, and strikes in essential defense industries to examine their responsibility to the Nation in the light of the common sacrifice which all have to make."

The following resolutions were adopted at a meeting of the national executive committee, such meeting held November 6-7, 1941:

"We record as a matter of common knowledge that stoppages without warrant or justification in the aircraft industry have impeded national defense." (From the report of the National Aeronautics Commission.)

"Whereas for 22 years the American Legion has advocated that adequate national defense is necessary if our Nation is to live; and

"Whereas in the present crisis our Nation has adopted the program of all-out defense; and

"Whereas the President of the United States declared on November 6, 1941, 'That Americans must make full sacrifices now, must submerge labor differences, and work three shifts a day to help defeat Hitler and bring about the better world we aim to build'; and

"Whereas we find that our national sacrifice and effort are being wasted, and in all too many instances our defense objectives are failing of attainment because:

"(a) Confusion and delay result from the failure of the President of the United States and Congress to delegate authority and responsibility for defense production to a single agency.

"(b) Labor racketeers and profiteers who place personal advantage above the welfare of the Nation are crippling industry through strikes and lock-outs.

"(c) Loyal workers are intimidated, beaten, and prevented from working by goon squads, who crush opposition by force.

"(d) The American people are not aroused to the danger of war being forced upon us and finding us unprepared: Now, therefore, be it

*Resolved,*

"1. That the national executive committee of the American Legion urges immediate creation of a national defense agency, similar to the War Industries Board of World War No. 1, to be given full authority and responsibility for attaining our national defense objectives.

"2. That an equitable plan be placed in effect to utilize the entire manpower of the country in national defense.

"3. That all strikes in defense industry be outlawed and for so long as the law of this land drafts men into the armed services of our Nation and makes it a disloyal act and criminal offense to desert therefrom that it be made a disloyal act and criminal offense to incite strikes, to foment labor trouble, to strike, or to advocate slow-downs or sit-downs in defense industry or to otherwise willfully obstruct defense production.

"4. That defense industry be drafted if self-interest advantage is placed above the welfare of the Nation.

"5. That prices, wages, and rents be immediately stabilized." (From the National Defense Committee.)

"Whereas the President of the United States in his public addresses has proclaimed the constitutional right of all workingmen to seek employment to their best advantage; and

"Whereas such a policy is vitally necessary and essential to the advancement and continuing effectiveness of the program of national defense; and

"Whereas he has further declared that the national defense output cannot be hampered by the selfish obstruction of any small minority of either industrial managers or labor leaders, and also that labor as a whole knows that the small minority is a menace to the cause of labor itself as well as to the Nation as a whole; and

"Whereas under conditions of war or full emergency there is no constitutional limitation to the power of the Government to protect the paramount public safety and welfare: Now, therefore, be it

*Resolved,* That we urge the President of the United States to carry out and to effectively put into operation the policies and



purposes hereinbefore enunciated, that he proclaim adequate protection will be given to maintain the uninterrupted and continuous employment of all industry and those employed in industry, to the end there will be maximum efficiency in work and production; and be it further

"Resolved, That Congress provide drastic measures and severe penalties against individuals, management or organizations, who may attempt, directly or indirectly, by any means or device whatsoever, to prevent, impede or slow down production of work in any business or industry engaged in any phase of the national defense program." (From the resolutions subcommittee.)

The following resolutions were adopted at a special meeting of the national defense committee at a special meeting held in Washington, D. C., January 19-21, 1942:

"Whereas winning the war in the shortest possible time requires perfect coordination of all effort, civilian and military; and

"Whereas coordination of effort is dependent for success upon clear definition of responsibility and authority: Now, therefore, be it

"Resolved by the National Defense Committee of the American Legion, That in the protection of property and industry valuable to national defense responsibility and authority should be fixed as follows: The armed forces of the United States should be responsible for offense against the enemy and defense against enemy attack. State governments should be responsible for maintaining law and order within States, the guarding of State property and the establishment of an emergency force to meet and temporarily control unforeseeable crises, dangers, and attacks; and

"That owners of industry and property valuable to winning the war be required under Federal authority and under Federal supervision and control to provide guard service adequate to protect their plants and properties under Federal supervision and direction."

"Whereas the successful prosecution of war requires integration of all forces including manpower necessary to win this war; and

"Whereas such successful prosecution involves not only the manpower of industries, but also the manpower of the armed forces: Therefore be it

"Resolved, That the American Legion, through its national commander, in association with the chairman of the national defense committee, the chairman of the Naval Affairs Committee, and the chairman of the Merchant Marine Committee, of the American Legion, study the problems of manpower in its relation to industry vital to national defense and the armed forces with particular regard to the United States Navy; and the national defense committee herewith grants authority in its name to the above-mentioned group, after such study, to take such steps as in their judgment may best further the total war effort."

The national legislative committee met at Washington, D. C., December 8-9, 1941, and one of its "statements of principles" read as follows:

"The American Legion at its last national convention, also at the November 1941 meeting of its national executive committee expressed its opposition to any interruption of defense production, either by industrial managers or labor leaders. The committee therefore calls upon the administration to support, and the Congress to immediately enact, legislation which will clearly define both the rights and duties of employer and employee and which will prevent any interruption of defense production."

#### REPORT OF COMMITTEE ON APPROPRIATIONS FILED DURING RECESS

Under authority of the order of the 3d instant,

Mr. McKELLAR, on April 4, 1942, from the Committee on Appropriations, to which was referred the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, reported it with amendments, and submitted a report (No. 1257) thereon.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KILGORE, from the Committee on Military Affairs:

S. 2109. A bill authorizing the Secretary of War to sell and convey to the town of Marmet, W. Va., two tracts of land to be used for municipal purposes; with amendments (Rept. No. 1258).

By Mr. BONE, from the Committee on Patents:

S. 2427. A bill to amend the act relating to preventing the publication of inventions in the national interest, and for other purposes; without amendment (Rept. No. 1259).

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REYNOLDS:

S. 2437. A bill to amend section 9 of the act of August 18, 1941 (Public Law 213, 77th Cong.), by striking out the proviso thereto which requires a monthly report by the Secretary of War to the Congress of the number of men in active training and service; to the Committee on Military Affairs.

(Mr. O'MAHONEY introduced Senate bill 2438, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

#### AMENDMENT TO SIXTH SUPPLEMENTAL DEFENSE APPROPRIATION BILL

Mr. MEAD submitted an amendment intended to be proposed by him to House bill 6868, the sixth supplemental national defense appropriation bill, 1942, which was ordered to lie on the table and to be printed, as follows:

At the proper place in the bill insert the following:

"That any person engaged in the performance of (1) any contract or order for the government of any country whose defense the President deems vital to the defense of the United States, pursuant to provisions of the act entitled 'An act further to promote the defense of the United States, and for other purposes,' approved March 11, 1941, or (2) any contract or order for the United States, or (3) any subcontract or suborder necessary or appropriate to the fulfillment of any contract or order for any such government or for the United States, who shall discriminate against or in favor of any employee or prospective employee or applicant for employment, because of his race, color, or creed, shall upon conviction thereof, be punished by a fine of not exceeding \$1,000 or by imprisonment for not exceeding 6 months, or both."

#### ADDRESSES AND PAPERS OF FRANKLIN D. ROOSEVELT: DEVELOPMENT OF UNITED STATES FOREIGN POLICY

Mr. OVERTON. Mr. President, in making request on March 17 ultimo for the compilation and printing as a public document of certain speeches of the

President of the United States on the development of the United States foreign policy, through inadvertence I did not ask that two addresses of the President delivered in 1942 be included in the document. I now ask that the address of January 6 and that of February 23 of this year be included.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDRESS BY SENATOR BREWSTER TO MAINE REPUBLICAN STATE CONVENTION

Mr. WHITE. Mr. President, the Republicans of the State of Maine recently assembled in convention. That gathering was presided over and was addressed by my distinguished colleague the Senator from Maine [Mr. BREWSTER]. His speech was one of power and persuasiveness. I ask unanimous consent that that speech may be printed in the Record, and I commend its reading to all Members of the Senate, especially those across the aisle.

Mr. BARKLEY. Mr. President, in view of the fact that the distinguished junior Senator from Maine is one whom we all respect, and in view of the fact that he conversed with some of us on this side of the aisle with respect to the powerful speech he was going to make before he made it, I am quite sure that we can read it with great advantage and with interest, and that we will be persuaded by it.

While I am on my feet I wish to say that I have also seen a copy of the Republican State platform adopted at the same convention in Maine, and, insofar as it deals with the national problems which now face us, it might well have been written by any well-organized and harmonious Democratic convention.

Mr. WHITE. Mr. President, if the Senator from Kentucky will read the speech and will consider the platform, I think he will agree that the Republicans of Maine have set a mark to which my Democratic colleagues might well aspire.

Mr. BARKLEY. I am happy to express my accord with that statement, and I am happy to congratulate not only the people of Maine but the two outstanding leaders of Maine, the senior and junior Senators from Maine [Mr. WHITE and Mr. BREWSTER], in guiding their convention in such happy channels.

The VICE PRESIDENT. Is there objection to printing the address in the Record?

There being no objection, the address was ordered to be printed in the Record, as follows:

The first political convention in the United States since Pearl Harbor convenes in Maine today. We are at the dawn of a campaign that may well affect the destiny of mankind for centuries.

Maine Republicans are once again privileged to point the way. The trumpet must not give forth an uncertain sound.

At Pearl Harbor the Japanese sank far more than they have yet realized. Down with our battleships went the partisan differences in America upon which the totalitarians depended to divide and destroy the democracies.

While the Japanese gloat over the tragic consequences of their treachery to our naval



and air forces, they miss entirely the militant and united America that is rising from the depths.

Columbus discovered America in 1492. Hitler is due to discover America in 1942.

But the battle is not won. Tough times lie ahead. When Nehemiah, was building the wall about Jerusalem, his enemies besought him to come down and talk it over, but Nehemiah was not to be diverted from his task. "Why should I come down to talk with you?" he said. So today there are not lacking those who wish to sit down and talk it over. They do not seem to realize that the time for talk and argument has passed.

One says there is a capitalist making unholy profits out of war. Another points out a laborer asking 8 days' pay for 8 hours' work.

Here is a farmer who demands more than parity, and there a group who refuse to work because of a dislike for a fellow workman.

Another asks why we should fight for the English or the Russians.

These are some of the techniques on which Hitler confidently counts to destroy the "decadent democracies." "Divide and destroy" have been the tactics of the dictator ever since time began.

Europe lies prostrate—except for Stalin's hosts—in tribute to the efficacy of boring from within. Everywhere were found the Quislings who would serve the conqueror's plan.

Only in England and in Russia Hitler's head collided with a stone wall. That stone wall was built of men who deemed the liberty of their country more precious than their lives. In poor downtrodden China the Japanese also collided with a living wall that has for 4 years held back the flood that now in 3 short months has overrun most of the remainder of the Far East. The Chinese have shown the qualities that entitle their nation to live on terms of full equality with the great nations of the earth. But the debate goes on. Our ardent disciple of democracy asks why he should strain himself until some other fellow has ceased to loaf on the job.

The answer is very simple. As far as I am concerned this is my private war with Hitler and Hirohito. The life of our country is at stake. That means the life of every one of us and all that life in America has come to mean.

I hope to find some help here and abroad. The only question asked is our alignment against a common foe.

When our sons line up beside MacArthur in Australia there will be Republicans and Democrats, Catholics, Jews, and Protestants—all mixed up together and no questions asked. In trenches elsewhere fighting the same enemy of mankind will be Russians and Chinese.

No one surrenders his ideas or his ideals by playing on a ball team with some other fellow he may not like.

Our ancestors, of whom we are most proud, were not Tories in 1775, nor copperheads in 1863, nor pro-German in 1919. Nor are we as the trustees of their heritage going to be appeasers or obstructionists in 1942.

After the disciple of division has finished pointing the finger of scorn at those who are not doing their full part, let us see who there is on the other side.

Let us begin with the thousands of American boys who have thrilled the world with their battle on Bataan. They are doing their full part.

Let us count the half million Americans who are roaming the seas and the skies by night and day in sunshine and storm to keep America secure. They are doing their full part.

Let us call the roll of the millions who are in training and are moving to the battle front. They are doing their full part.

Let us turn our thoughts to all the myriad millions on the farms and in the factories

who are working patiently and honestly and devotedly to do their part in supplying the food and the tools that are essential in modern war.

We are choosing up sides. I choose to stand with MacArthur. At each crisis in American history a Divine Providence has given us a man. Out of the fox holes of Bataan and the caves of Corregidor MacArthur has emerged to capture and consolidate the confidence of a collapsing world.

But finally the disciple of dissent asks: "What about this man Roosevelt?" Some are apparently quite persuaded that his works are of the devil.

Time does not permit to argue this proposition, but, in justice to ourselves, let us look at the record.

War found this Nation more nearly adequately prepared than any previous war in our history.

Within 1 month Donald Nelson was installed as production czar. In the last war it took more than a year to accomplish this most essential step.

Within 3 months Douglas MacArthur was given supreme command of all our forces in our most critical theater of war and the whole world rang with cheers.

Certainly these things warrant confidence that the President as Commander in Chief of our armies and Navy and Air Force is moving to consolidate American might for complete, utter, and final military victory.

Let us get on with the job. What can each one of us do? Each may save and serve.

Everything one goes without releases material and manpower to help the fighting front. Conceive of the power of an America absolutely devoted to a victorious offensive. Picture 130,000,000 Americans thinking in terms of giving rather than getting.

Suppose every man, woman, and child in America asked themselves each morning "What can I do today to help?" "What can I go without to relieve a little the strain on our farms and factories and transportation?"

Saving everything possible and putting our savings into Victory bonds will mobilize the might of America into an irresistible force.

Every day in every way let each do what he can.

Meanwhile in Washington more and more Members of Congress are coming to realize that the country is far ahead of the Congress in recognition of the peril with which we are faced.

We must not lose Australia. MacArthur is a guaranty that the utmost will be made of everything we send. It is up to us here to see that nothing impedes the flow.

More ships, more planes, more guns, more tanks in order that American boys may fight on an equality with the yellow men of the East. Then we shall not need to doubt the issue. This means, however, today—not tomorrow.

In the flames of Pearl Harbor we catch the gleam of the eyes of the denizens of darkened Asia and Europe. Behind them we catch a glimmer of the millions who have been enslaved.

America goes forth once more in a great crusade in the cause of human freedom.

The issue cannot be in doubt. Partisan differences perished in the fires of Pearl Harbor. All became Americans dedicated to a common and an assured victory.

Maine Republicans in this northeastern bastion may well send ringing across the country their message of courage and confidence and unfaltering devotion to America and all it means.

Mr. BREWSTER subsequently said: Mr. President, I was called from the Chamber when the senior Senator from Maine [Mr. WHITE] spoke, and during the colloquy which he had with the ma-

jority leader. I ask unanimous consent to have printed in the RECORD immediately following the matter which the senior Senator from Maine had printed in the RECORD, the resolutions adopted as a Republican platform at the Republican State convention in Maine over which I presided, calling attention to their pledge of wholehearted support to the President in a vigorous and efficient prosecution of the war. In the first political convention in the coming campaign we inaugurated what may be a unique feature. We invited the postmaster of Portland, Mrs. Helen C. Donahue, who happens to be a very distinguished citizen, and who before Pearl Harbor was considered a Democrat, to set up a booth on the floor of the Republican State convention for the sale of Defense bonds. During the 2 days of that convention the members of the convention bought more than \$32,000 worth of Defense bonds showing in substantial measure the wholehearted support of this effort by the people of Maine.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Republicans of Maine assembled in convention, which is a vital part of the American form of government for which our Nation is now fighting, adopt the following statement of principles:

The paramount duty of every American citizen is to take his full part in bringing about a decisive and complete military victory. In attaining this result, party politics, as such, have no place.

The Republican party of Maine pledges its wholehearted support to the President in a vigorous and efficient prosecution of the war.

We urge upon the Congress that proper measures be taken, so far as consistent with an ultimate and speedy victory, to reduce to a minimum expenditures for nonwar purposes and to eliminate at once all nonessential governmental activities, to insure a just and fair distribution of the burdens of war, to make certain that no one profits unduly from the war, to impose rigid restraints on inflation, and to assure preservation of the constitutional guaranties vouchsafed in the Bill of Rights.

We commend the sound, economical, and responsive administration of our State's business under the leadership of Governor Sewall.

We heartily endorse the action of Governor Sewall and the legislature in their prompt building up of military and civilian defense, in the enactment of liberal legislation, in keeping expenditures entirely within appropriations, and in effecting substantial economies without curtailment of essential services.

We pledge continued efforts by a Republican Governor and legislature toward further progressive legislation and further economies wherever possible without crippling essential services by the State, and toward increased efficiency in the operation of all State departments.

We advocate a whole-souled continuance by our citizens of that heritage of faith, fortitude, and simplicity of life which have made this State outstanding in the councils of the Nation.

ADDRESS BY JUSTICE A. L. ZINN ON THE JAPANESE PROBLEM IN NEW MEXICO

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address entitled "The Japanese Problem in New Mexico," delivered by Justice A. L. Zinn, of the New Mexico Supreme Court, which appears in the Appendix.]



# REMINDER OF RELIGIOUS OBLIGATIONS BY REV. ALBERT RHETT STUART, D. D.

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a statement on the subject of religious obligations, presented on Easter Sunday by Rev. Albert Rhett Stuart, D. D., rector of St. Michael's Church, Charleston, S. C., which appears in the Appendix.]

## SIXTH SUPPLEMENTAL DEFENSE APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 6868, making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

The VICE PRESIDENT. The clerk will read the bill for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

## DECORATIONS FOR OUTSTANDING CONDUCT OR SERVICE BY MEMBERS OF AMERICAN MERCHANT MARINE

Mr. RADCLIFFE. Mr. President, will the Senator from Tennessee yield in order that I may ask unanimous consent for the consideration of Calendar No. 1295, House Joint Resolution 263, to provide decorations for outstanding conduct or service by persons serving in the American merchant marine?

Mr. McKELLAR. I yield, provided the joint resolution will not require extended debate.

The VICE PRESIDENT. The clerk will report the joint resolution by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 263) to provide decorations for outstanding conduct or service by persons serving in the American merchant marine.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. McNARY. Mr. President, I am familiar with the joint resolution, and I have no objection.

There being no objection, the Senate proceeded to consider the joint resolution, which is as follows:

*Resolved, etc., That the United States Maritime Commission is hereby authorized and directed, under such rules and regulations as it may prescribe, to provide and award a medal of such material and design and with such devices and inscriptions as the Commission may deem suitable to each person who in the American merchant marine, on or after September 3, 1939, has distinguished himself or during the war distinguishes himself by outstanding conduct or service in the line of duty. Such medals shall be presented with appropriate ceremony as specified by the Commission.*

SEC. 2. There may be issued with each medal a rosette or other device to be worn in lieu of the medal. Not more than one medal shall be issued hereunder to any per-

son, but for each succeeding instance sufficient to justify the award of a medal to such person the Commission may award a suitable bar or other emblem or insignia to be worn with the medal and the corresponding rosette or other device. In case any person who so distinguishes himself as to justify the award of a medal or decoration hereunder dies before the award can be made to him, the award may be made and the medal or decoration presented such representative of the deceased as the Commission deems proper.

Mr. RADCLIFFE. Mr. President, this joint resolution authorizes the Maritime Commission to award a medal to each person in the American merchant marine who, on or any time after September 3, 1939, has distinguished himself by outstanding conduct or service in the line of duty. There is also a provision for the issuance of a rosette or other device which can be worn in lieu of the medal. Not more than one medal can be issued to any one person, but after the presentation of the medal the recipient may from time to time for later outstanding service or services receive from the Commission suitable bars or other emblems or insignia to be worn with the medal. In the event the hero has died before the medal is presented, the presentation would be made to his family.

Similar medals are presented in the Army and the Navy, and in view of the nature of service rendered by the officers and seamen of the merchant marine and the hazards to which they are subjected, it is certainly reasonable that such recognition should be accorded to them. At present no such award is made, although it is possible for a sailor to receive a life-saving medal from the Secretary of the Treasury, and, of course, there are certain private associations which make awards for heroism at sea.

After the end of the World War—that is, in December 1920—an act was passed which authorized the award of medals for extraordinary heroism or distinguished service in the line of duty for members of the merchant marine. That act, however was passed 2 years after the war was over, and apparently no such awards were actually made.

One of the most successful, brilliant chapters in the history of the present war is the magnificent record of the officers and seamen of our merchant marine. Certainly the recognition which this resolution would call for is a most suitable and worthy one.

In this connection, Mr. President, I desire to read a brief editorial from the Baltimore Sun of April 2, 1942. The editorial is entitled "Honor Alone Is Payment for Courage," and reads as follows:

Senator RADCLIFFE joins those who support the principle of the bill authorizing the Government to award official medals to sailors of the merchant marine who distinguish themselves by heroic conduct in the presence of the enemy. It is gratifying to learn that the Senator approves the object of the bill. He should, for it is no more than recognition of the plain fact that a man who does more than his duty under fire is a brave man, whatever uniform he wears.

The men who sail the ships that carry supplies for us and our Allies are doing as much to beat the enemy as the men who point the guns on our warships. This was always true; but in the old days, when international law still commanded respect, the job of the mer-

chant sailors was safer than that of the crews of the men-o'-war, so it was no more than right for the honors to be reserved for the men who took the greater risk.

But since the submarines have begun to fire without warning, the lives of the sailors of the merchant marine are imperiled no less than those of Navy men. It has always been recognized that courage cannot be paid for with money; the only adequate compensation for courage is honor, and a brave man is entitled to that sort of payment, no matter to what service he belongs. It is to be hoped that Congress will recognize this obligation and arrange for its discharge.

Certainly it can be said of the officers and sailors in our merchant marine that their hearts are always eager, their hands ready for the work.

The VICE PRESIDENT. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

## INVESTIGATION OF PRIMARIES AND ELECTIONS—SENATORIAL CAMPAIGN EXPENDITURES

Mr. LUCAS. Mr. President, will the Senator from Tennessee yield for the purpose of requesting consideration for Senate Resolution 235, which was reported from the Committee on Privileges and Elections on Friday last? I think it will take only a few moments.

Mr. McKELLAR. If it will take only a brief time, I shall yield.

Mr. LUCAS. It will not take very long, I will say to the Senator from Tennessee. I desire, however, to make a brief explanation, as it is a rather important matter.

Mr. McKELLAR. I yield to the Senator from Illinois.

Mr. LUCAS. Senate Resolution 235 was reported from the Committee on Privileges and Elections last Friday and was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. From that committee, I report the resolution back favorably without amendment.

In making this report, I should like to invite the attention of the Senate to the fact that section 2 of the resolution is much broader in its scope than was a similar provision in the resolution reported by the committee and adopted by the Senate in 1940.

Furthermore, I invite the attention of the Senate to section 5 of the resolution, which authorizes the committee, or any subcommittee thereof, to appoint one or more persons on behalf of the committee to conduct investigations in the various States dealing with the general election of 1942, as well as the primaries. I invite the attention of the Senate to this provision merely for the purpose of saying that this resolution contains a provision which will permit the committee to appoint investigators similar to those appointed in the recent case involving the Senator from North Dakota [Mr. LANGER]. There was so much criticism, both direct and by implication, as to what the investigators did in that particular case that before the Senate acts upon this very important measure, dealing with all the elections in the various States in 1942, I think the Senate should



It calls for 2,300 new cargo and tanker vessels within less than 24 months. More than 250 smaller ships are being built.

The schedule calls for 750 ships this year—an average of 2 a day. Already the average is slightly better than 1 a day. The schedule for 2 years is an average of 3 a day.

While the production progress is great, even more is expected as bottlenecks on materials are widened. The War Production Board has closed down civilian production in hundreds of consumers' goods plants, such as refrigerators, electrical devices, and radios.

They are being converted as rapidly as possible. The War Production Board, which has approved \$10,000,000,000 in war contracts since Pearl Harbor, has the job of awarding many billions more in the months to come. They will go to converted and hundreds of new plants to be constructed and old ones to be expanded.

And when they all get to turning out the things the armed forces need to defeat the Axis, the war of production will end in victory for the United States and the United Nations.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6483) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6554) to amend war-risk-insurance provisions of the Merchant Marine Act, 1936, as amended, in order to expedite ocean transportation and assist the war effort.

The message returned to the Senate, in compliance with its request the bill (H. R. 6328) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

#### ENROLLED BILL SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 6554) to amend war-risk-insurance provisions of the Merchant Marine Act, 1936, as amended, in order to expedite ocean transportation and assist the war effort, and it was signed by the Vice President.

#### SIXTH SUPPLEMENTAL DEFENSE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

Mr. McKELLAR. Mr. President, pursuant to action by the Committee on Appropriations, I submit a notice in writing of a motion to suspend the rule with reference to an amendment to House bill 6868, making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

The notice in writing submitted by Mr. McKELLAR is as follows:

In accordance with rule XL of the standing rules of the Senate, I hereby give notice

in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, namely: On page 47, after line 17, insert the following:

"Sec. 403 (a) For the purposes of this section, the term 'Department' means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term 'Secretary' means the Chairman of such Commission, and the terms 'renegotiate' and 'renegotiation' include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d), (e), and (f) of this section, the term 'contract' includes a subcontract and the term 'contractor' includes a subcontractor.

"(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period when the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is deemed by the Secretary to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period when the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is deemed by the Secretary to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

"(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department, (1) to require the contractor to renegotiate the contract price, (2) to withhold from the contractor any amount of the contract price which is deemed by the Secretary to represent excessive profits, and (3) in case any amount of the contract price deemed by the Secretary to represent excessive profits shall have been paid to the contractor, to recover such amount from such contractor. Such contractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. No suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor pursuant to the provisions of this subsection. This subsection shall be applicable to all contracts hereafter made and to all contracts heretofore made, whether or not such contracts contain a renegotiation or recapture clause, provided (in the case of contracts heretofore made) that final payment pursuant to such contract has not been made prior to the date of enactment of this act.

"(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any other costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any other excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable.

"(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount of \$500,000 or more, statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Such statements shall be made under oath, except for such interim reports as may be required by the Secretary. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than 2 years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor.

"(f) Subject to the provisions of this section, the Secretary of each Department, separately or jointly with the Secretary of one or both of the other Departments, shall prescribe regulations which will, to the fullest extent practicable, indicate in advance the profits on contracts which will be deemed to be excessive for the purposes of this section. In prescribing such regulations, there shall be taken into consideration the amount and character of the personal services, equipment, material, and working capital, and the length of time likely to be required for performing various contracts and such other factors as are deemed appropriate by the Secretary or Secretaries prescribing such regulations. In any event, any profits on any contract in excess of the amount set out in the following schedule of maximum profit rates shall be deemed to be excessive for the purposes of this section unless the Secretary of the Department concerned makes a specific determination that a greater profit is not excessive in the case of such contract. A report of any such determination shall be made to the Congress within 30 days from the date thereof.

#### "SCHEDULE OF MAXIMUM PROFIT RATES

"Ten percent of so much of the contract price as does not exceed \$100,000; plus

"Eight percent of so much of the contract price as exceeds \$100,000 but does not exceed \$500,000; plus

"Six percent of so much of the contract price as exceeds \$500,000 but does not exceed \$1,000,000; plus

"Five percent of so much of the contract price as exceeds \$1,000,000 but does not exceed \$5,000,000; plus



"Four percent of so much of the contract price as exceeds \$5,000,000 but does not exceed \$20,000,000; plus

"Three percent of so much of the contract price as exceeds \$20,000,000 but does not exceed \$50,000,000; plus

"Two percent of so much of the contract price as exceeds \$50,000,000.

"In the case of a contract entered into on a cost-plus basis, the costs of performing the contract shall be included in determining the contract price for the purposes of this subsection. The foregoing provisions of this subsection shall not be construed to mean that the Secretary of any Department may not deem profits equal to or less than the amount set out in the foregoing schedule to be excessive profits for the purposes of this section.

"(g) The authority and discretion herein conferred upon the Secretary of each Department may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

"(h) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 6868, making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McKELLAR. I submit a similar notice in writing with respect to another amendment which the committee has authorized.

The notice in writing, submitted by Mr. McKELLAR, is as follows:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, namely: On page 48, line 19, before the period, insert "Provided, That purchases of automobiles heretofore made at prices not in excess of those herein authorized are hereby authorized and validated."

Mr. McKELLAR also submitted an amendment intended to be proposed by him to House bill 6868, making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. GEORGE. Mr. President, I wish to inquire, if the amendments submitted by the Senator in charge of the bill are now received, whether the vote on the two important amendments will go over until tomorrow?

Mr. McKELLAR. I was hopeful that I could obtain a unanimous-consent agreement that they might be considered today; but out of an abundance of precaution, fearing that some Senator might object, I have given the notice, so that the amendments may go over and be con-

sidered tomorrow. The only question is whether we shall consider them today or tomorrow.

Mr. GEORGE. I do not think consent could be had to consider these two important amendments today.

Mr. McKELLAR. Then, I am very glad I gave the notice.

Mr. GEORGE. I wished to make it clear, so that we would not be expecting them to come up today, unless for discussion by those who favor them.

Mr. McKELLAR. Mr. President, I desire to proceed for a few moments with a discussion of the pending bill.

This is the sixth supplemental national defense appropriation bill of 1942. The appropriations carried in the bill are divided into three classes. They were divided into such classes in the House, and the Senate committee has followed the classification.

Appropriations for the military activities of the War Department constitute more than nine-tenths of all the appropriations; and I desire to say that the larger portion of the War Department appropriations will be spent for the purpose of building additional airplanes for the Department. There are also appropriations and contract authorizations for the Navy Department, and appropriations and contract authorizations for certain civil agencies.

The House reported a bill of \$17,375,959,445 for war Department activities and for the purpose of expanding the Army to a strength of approximately 3,600,000 men. Most of the appropriations are for the purpose of fitting out, equipping, preparing, and training a 3,600,000-man Army. That is proposed to be done by December 31, 1942.

A very large portion of the money now proposed to be appropriated—namely, \$6,990,000,000—is for the construction of airplanes, complete with spares, radios, and ordnance, in order to meet the President's objective as set forth in his speech of January 6, 1942, for the production of 60,000 airplanes in the calendar year 1942 and 125,000 airplanes in the calendar year 1943. This is the second step in the airplane-production program. The additional planes make it necessary to have additional ground facilities, organization, and equipment for a larger number of operating units and a large increase in pilot output; and the added expense for such purposes will be \$3,680,000,000.

The bill also provides for pay, subsistence, training, transportation, and otherwise caring for such expansion as will be necessary before July 1, next, and housing for an army of a strength of approximately 3,600,000 men by December 31, 1942; and this will cost \$2,050,000,000.

In addition to the appropriations for airplanes and personnel, there are incidental and added maintenance and operation charges and expenses of \$450,000,000 for storage and shipping facilities; and for all such purposes and projects an amount of \$2,500,000,000 is to be added. To this amount is added \$2,220,000,000, in round numbers, for defense aid.

That is the bill as it passed the House. The amount of the bill as it passed the House was \$18,156,961,345. To that large sum the Senate committee has added \$905,000,000-plus, so that the amount of the bill as reported to the Senate is approximately \$19,062,000,000.

At this point I desire to state to the Senate what the increases are.

For the War Department there is provided in the bill what is known as the Army Specialist Corps. Provision for the Army Specialist Corps was left out by the House. It was testified that the Army desired to have 6,000 specialists, with a pay schedule of from \$2,300 to \$8,000 a year. These are to be technicians, as shown on page 3 of the bill. The amount required for the specialist corps is \$2,218,100.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. I shall yield in a moment.

These men are to wear uniforms, but not regulation Army uniforms; and they will not be officers. The corps will be a civilian corps, to be used by the Army. The committee was convinced of the practicability of the use of such men, and it provided that they should be appointed by the President, but by and with the advice and consent of the Senate.

Now I yield to the Senator from Vermont.

Mr. AUSTIN. Mr. President, I regard this as a very beneficial change in the policy of the War Department. That is, the effect of the provision to which the Senator refers—separating and distinguishing the gentlemen who come in to perform civilian military service from those who are engaged in combat service—is very important, as I see it, in order to protect the morale of the fighting soldier.

There is a proviso in the text about which I wish to inquire, since I do not understand it. It is the last proviso on page 3, lines 14 to 18:

*Provided further, That no part of this appropriation shall be available to pay the salary of any member of that corps unless such member is appointed by the President, by and with the advice and consent of the Senate.*

I have understood, throughout the history of this piece of legislation and the plans which led up to it, that a very large number, in fact by far the largest number, of men who will belong to this corps are in a group who are not officers. They are in a group of men who correspond to laborers; and I cannot understand what this proviso means if we take it literally to mean what it says.

Mr. McKELLAR. The testimony was, and a large amount of testimony was taken by the committee, that these men are to be what are called technicians, men who may be sent abroad or who may be put on civilian duty which now is performed by regular officers of the Army, and, therefore, their employment will spare a number of regular officers of the Army who can be better engaged in more active work, as these men will be put only on civilian work.

It is a new scheme. It is a departure from established methods in our Army,



and the committee thought, out of caution and care, that these officials should be selected by the President, by and with the advice and consent of the Senate.

There was a question raised in the committee as to whether the lower-paid employees—those in the class who receive \$2,300, \$2,600, and \$3,200—might be excluded, but after most careful consideration it was decided not to exclude them. The committee went very thoroughly into this matter because the House report, as the Senator will recall, is opposed to it, and therefore we wanted to make the matter as secure as possible, and yet to give the Army the advantage of this corps of technicians if they were really needed. We also wanted to be certain that they were technicians, and not simply men to fill places. That was the idea of the committee.

Mr. AUSTIN. Let me say that, although it is not what I would choose if I, myself, were trying to frame the legislation, I am ready to cooperate with the judgment of the committee on that policy.

Mr. McKELLAR. I am sure the Senator is.

Mr. AUSTIN. I will go along with the committee in that respect, with great interest in its success. I now understand from the answer that these employees, who are really on the basis of laborers, are not regarded as being within the Army.

Mr. McKELLAR. They are not within the military force. They are expected to wear uniforms, but the uniforms will be different from those of the Regular Army.

Mr. AUSTIN. I understand; but does this provision relate solely to men who will acquire some sort of appointments with commissions?

Mr. McKELLAR. I do not know. Commissions are not provided for at all. They are not to be Army officers at all. They are to be civilian technicians under the control of the Army. That is the proposal.

Mr. AUSTIN. I think this information ought to be kept on the record. As I understand the Senator, there will be no majors, no captains, no officers of title, and no insignia of rank.

Mr. McKELLAR. Oh, no; and no retired pay—nothing except employment as technicians by the Army itself.

Mr. AUSTIN. Then, as I understand the Senator's explanation, there will not be in the corps any persons who are in the status of laborers.

Mr. McKELLAR. Nothing was said about laborers. The lowest salary is \$2,300 and the highest is \$8,000. A corps of technicians is what is intended.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from South Dakota.

Mr. GURNEY. Is it the intention in organizing this specialist corps to have this new uniformed force take over Army office work as rapidly as possible in the city of Washington? To what extent is it intended that the new corps will take over desk jobs?

Mr. McKELLAR. That depends entirely upon the Army in Washington, be-

cause the specialist corps will be entirely under the control and dominion of the Army in Washington.

Mr. GURNEY. I realize that, but I was wondering if there was any program to do what I have suggested so as to relieve commissioned officers for combat service by the appointment of these specialists who might not be able to pass the rigid physical requirements for commissions in the Army?

Mr. McKELLAR. I will quote from the statement of General Somervell, who is one of the most accomplished officers in the Army, on page 11 of the hearings:

General SOMERVELL. In the first place, we appreciate very much what you have said about the character of Army officers; but we don't think we have any corner on honesty, Senator. Secondly, the people in the Army who have been trained for these duties have already been used. I mean, we haven't an inexhaustible supply. Consequently, we have to supplement the number we have now.

The problem before us is whether we put the men in a suit like the one I am wearing, with shoulder straps or what not on it, or in a different kind of suit. It is the same man, and we think it is better to put him in a nonmilitary uniform, if his duties are primarily nonmilitary duties, that is, in command of other kinds of activities. This doesn't mean that this is going to be done outside of the Quartermaster Corps, for example, speaking of the purchasing. The Quartermaster General is going to continue to be in charge of the purchasing. But he is going to have to supplement his force, either with Reserve officers or officers commissioned in the Army of the United States, as it is now, or supplement them in part with people in this Army Specialist Corps. That is the whole problem. It will be the same individuals and the same number of men.

His idea is that the Army needed men, for instance, who were well qualified and experienced along the line of purchasing supplies for the Army, but who would still be under control of the Quartermaster Corps of the Army, and would not be commissioned officers. His idea is that they are to be businessmen, in control of business matters within the Army.

Mr. GURNEY. May I ask a further question?

Mr. McKELLAR. Certainly.

Mr. GURNEY. Was there any information given before the committee to the effect that men who go into the specialist corps would be those who had been put into a special classification under the selective service for limited service?

Mr. McKELLAR. No, sir. The Army would have carte blanche to employ the best men they could get, and they are not to stand civil-service examinations, they are not to stand any kind of examination, except what the Army wants to subject them to.

Mr. GURNEY. Let me ask a further question, if I may.

Mr. McKELLAR. Certainly.

Mr. GURNEY. When these men come into the specialist corps, will that relieve them from their obligations under the selective service law?

Mr. McKELLAR. Oh, no; not at all.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Tennessee yield for an additional observation?

Mr. McKELLAR. I yield.

Mr. THOMAS of Oklahoma. The testimony showed very clearly that the

Army must have the technicians for whom the bill makes provision. The only question is whether they shall be taken into the Regular Military Establishment and given commissions, entitling them to wear the regular standard uniform, with shoulder straps, and with salaries to correspond, or shall be organized as a special corps, to include the same men, with uniforms but without the rank designations.

The uniforms, no doubt, will be similar to Army uniforms and will contain United States insignia and probably some sort of insignia to designate that the wearer is in the specialist corps, but members of the corps will not have the special insignia of lieutenants or captains or majors or colonels or generals.

Mr. AUSTIN. Will the Senator yield?

Mr. THOMAS of Oklahoma. Let me make one more statement; then I shall be glad to yield. The only purpose of the uniform, as I understand it, is this: Under the provisions of the Geneva Convention men of any nation who engage in war activities, if they are captured and are not in uniform are treated as spies and are subject to be shot. The uniform will protect them, and if they are captured wearing the uniform, they will become prisoners of war and will be treated as such.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. AUSTIN. The Senator from Oklahoma has just answered the question that was in my mind; but, if the Senator will yield for an observation, I want to make a further comment. As a trustee of the State university, I have for years observed young men spend some part of 4 years in educating themselves in military science and in drilling in order to acquire skill in military tactics. I have observed them spend some part of the vacation, during which usually in the northern section of the country they go to work to try to earn something, training in camps. After 4 years of such discipline and effort, they graduate with a second lieutenant's commission.

It cannot help the Army of the United States, the combat troops, the officers on whom we depend for victory in combat if we put the uniform and insignia of rank upon gentleman who never have sacrificed or done a single thing to acquire the special distinction and authority which the Government gives to the young men to whom I have referred who really undergo a special education in order to acquire not only qualities of leadership but the skills which are necessary.

I think that this is one of the most important and beneficial changes of policy on the part of the Government I have seen come before the Senate. It is a grave thing to have the morale of our officers who are in command of combat troops impaired by anything at all, and I say there is nothing, in my opinion, that would have a greater tendency to impair it than to put the uniform and the insignia upon men who never in their lifetime have lifted a hand to acquire the knowledge, ability, and attain-



ments for which the uniform and insignia stand.

Mr. McKELLAR. Mr. President, on behalf of the committee, I desire to thank the Senator from Vermont for his kind words.

I wish to add two short excerpts from a letter written by General Marshall, the Chief of Staff, about this same subject:

The purpose of the specialist corps is to establish under military control, a group of civilians whose professional, scientific, and business talents are essential to the success of the prosecution of war. To obtain such individuals in the Army, it is now necessary to commission them in military grades for which they are not qualified. In order to organize and control this group, it is considered absolutely necessary that they be organized into a corps and authorized a distinctive uniform which will accord appropriate recognition of their status in the Military Establishment.

The War Department is convinced that there is a genuine need for the Army Specialist Corps. Recent studies by the Army, including elements in theaters of operations, indicate that a disproportionate part of our trained military personnel is being consumed in overhead activities. The Army Specialist Corps will permit us to turn these duties over to a group of specialists which will be under the complete control of the Army.

General Marshall further says:

In general, members of the specialist corps will be without military training. If commissioned in the Army, officers who would be junior to them and who have spent years qualifying themselves—

Using the very argument the Senator from Vermont has used—

would naturally resent being made subordinate to persons with no military training. This is an important morale issue, which is constantly present in the commissioning in the Army of professional and technical experts who have no military background. The specialist corps can meet this issue. Specialist corps members will, insofar as it is practicable, be chosen from persons not subject to, or who have been deferred from, induction into the military service. The specialist corps will be a supplement to, and not a competitor of, the Army.

No age limit is fixed, and that question will not arise, nor will the question of rank arise.

The Senator from South Dakota [Mr. GURNEY] asked whether those assigned to the specialist corps would be excused from service under the selective draft. I wish to quote the testimony on that point:

Senator O'MAHONEY. But I take it the answer would also be in the affirmative if the question were, Are you able to take in men who are physically capable of passing the examination? Would the answer be "Yes"?

General HILLDRING. The answer would be "Yes," but the protection of them from the draft would be "No," Senator. If we took such a man in, that would not, per se, give him immunity from Selective Service, and that is the point I wanted to make.

Senator O'MAHONEY. I am glad you made it, because that makes it possible for us to say that this system would not be an outlet whereby to escape actual draft service.

General HILLDRING. Absolutely not.

Mr. President, I have referred to this testimony to support my belief that we should not excuse men from service under the selective draft by putting them into civilian employment under the Govern-

ment. I am opposed to that, our committee is opposed to it, and I am sure that nothing of that kind will be done. Indeed, I think that most of those who will go into the specialist corps, if the House and the Senate and the President shall agree to the provision, will be men who probably will not come within the draft at all; that is, the corps will be composed of older men.

Mr. AUSTIN. Mr. President—

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Tennessee yield to the Senator from Vermont?

Mr. McKELLAR. I yield.

Mr. AUSTIN. The Senator's statement brings us right to the significant element in the selective training and service law; that is, the element of selection. That is one of the most important elements in the law. A local board having under consideration an enrollee who is in the specialist corps will, under the law, take into consideration the question whether the man's service is more important to his country in the place where he is than if he were put into the armed forces. They have the power to leave him where he can serve his country best.

Mr. McKELLAR. Mr. President, the next increase of appropriation in the bill is for Army transportation, for the chartering of merchant ships. It was established by the evidence before us that while there are not many ships which can be chartered, there are some, and, of course, everyone knows the desirability of obtaining those ships if they can be obtained, and an appropriation of \$56,490,798 was added for this purpose.

Mr. President, I do not think it requires argument to convince anyone that wherever we can buy a ship at this time we should do so. The committee, holding to that view, has added this item to the bill.

The largest addition to the bill was under the Navy Department, Bureau of Yards and Docks, in which category \$809,000,000 was added. The reason for this additional estimate was given by Admiral Moreell, who said:

The \$9,000,000 is to finance the purchase of utilities, such as locomotives, box cars, flat cars, locomotive cranes, hauler cranes, truck cranes, tractors, etc., for the entire Naval Establishment. With the expansion in the shore stations of the Navy we have received large requests for equipment of this character to enable the stations to carry on their work, and we have just not had enough funds to finance those requests.

They had already received about twelve and a half million dollars, and he wanted a \$9,000,000 deficiency, to which the committee agreed. Again Admiral Moreell asked for \$800,000,000—

for the program of miscellaneous public works, which is designed to parallel the expansions in the other branches of the Navy. I mean by that the increase in personnel for both the Navy and the Marine Corps to 1,000,000 and 200,000, respectively, automatically entails an increase in the training facilities and in the housing facilities and the hospital facilities.

This included repair work and vocational schools. It was said that with this appropriation they could train a million men. This constituted, of course, a very

large part of the increase recommended by the Senate committee.

The Coast Guard Marine Training Corps was given \$5,000,000, making the total increase in the appropriation for the Navy Department \$814,000,000.

In the general appropriation title the Senate committee recommended a contract authorization for access roads of \$25,400,000, there being a Budget estimate therefor. There was also added \$3,500,000 for Aircraft Engine Research Laboratory, Cleveland, Ohio.

The Selective Service System was granted \$3,770,000.

The Tennessee Valley Authority, for building a phosphorus manufacturing plant at or near Mobile, Ala., was allowed \$3,000,000.

Various items for the District of Columbia were added, amounting to \$328,817.18. By the way, the items asked for by the District of Columbia amounted to over half a million dollars, but only the most pressing items, such as those for food, clothing, hospitalization, and other necessary items, were allowed by the committee.

I now come to a very important matter, which is especially interesting to the Senators from the Pacific coast. It is the item, first, of \$250,000, for the national-forest protection and management, to enable the proper officials to protect our national forests.

The emergency forest-fire-control organization was given an additional \$16,100,000. The House had allowed \$2,000,000, and the Budget estimate was \$5,000,000. There was much testimony before the committee as to conditions in our national forests in the West, which probably are our largest forests, unless those in Alaska are larger. I do not think they are, though. I am speaking from my own recollection. Anyway, enormous and magnificent forests are to be found in the far western States. As we all know, there are many Japanese in those States who are being moved back from the coast and put into concentration camps. It is easy to set these forests afire, and our committee thought it was necessary to appropriate a sum sufficiently large, according to the opinion of those who are carrying out the proposal, to protect the forests. Their estimate was for about \$19,000,000. Therefore we added a sum which will bring the appropriation up to approximately that figure. Knowing, as I do, something about those forests, having visited the West a number of times, and having seen the magnificent trees which are still standing there, I think we could not spend our money to better advantage than by affording the necessary protection, both from ordinary fires, and from what might be called fires in the nature of sabotage. For these reasons the committee unanimously recommended even more than the Budget estimate, more than three times the Budget estimate, and has recommended this amount to be used by those whose duty it is to control the forest fires in the West.

In this connection, I wish to say that I have received hundreds of telegrams, and I think other Senators have received a large number, too, from State authori-



ties in the West, who are working in harmony and in cooperation with the national authorities in saving the forests. I hope very much that the provision will be agreed to.

Mr. BONE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BONE. I merely desire to say to the Senator that I am very much gratified to note that the committee restored the amount which the Department asked, because those of us from the Pacific Coast States—and I note present at this time both Senators from Oregon [Mr. McNARY and Mr. HOLMAN], the Senator from Idaho [Mr. THOMAS], and the Senator from California [Mr. DOWNEY]—know that that whole area, which is heavily timbered, has been at times swept by terrifying fires.

Mr. President, just one other thought. I drove through South Carolina a short while ago and was astonished to find—I do not know why I should have been, but I was astonished to find signs in South Carolina similar to signs in the States of Washington and Oregon, warning against setting forest fires. Upon inquiry I discovered that the Southern States were also trying to develop a new type of reforestation which would give to the South a new source of wealth in lieu of that which had previously been almost wantonly destroyed by the wrong sort of cutting. So it is gratifying to know that this item will not only help the West but will also help all sections of the country, including the States along the east coast.

Mr. McKELLAR. Mr. President, we also granted \$185,000 to the Bureau of Entomology and Plant Quarantine. There was a Budget estimate for this item, and the proof was overwhelming that it was needed.

For the Department of Commerce, Office of Administrator of Civil Aeronautics, for automatic posting systems at New York and Washington, \$4,080,000 is provided. I think that is a very popular expenditure of the Government's money, for better methods of defense, and unless I am asked about it I shall not discuss the item. I think the committee thought that it was highly proper that the item should go into the bill.

For the Interior Department, fire protection of forests, forest industries, and strategic facilities—national defense—there is an item of \$1,240,200. That applies to Government forests which are under the control of the National Government and under the control of the Interior Department. For that reason a portion of the money which was referred to a while ago is given directly to that Department. I am glad to say that I think the Interior Department, and the Department of Commerce, which has charge of the protection against forest fires, and the fire departments of the various States and the various counties in the West, are all joining in a very determined effort to prevent fires.

Also, Mr. President, under the Department of Labor, for salaries and expenses, apprenticeship training program, an item of \$90,000 was allowed.

For the Commissioners of Conciliation, \$150,000 was provided.

The total under the general civil appropriations, title III, is \$32,694,017.18.

Mr. President, that brings me to two amendments which the committee authorized to be offered. They are not in order, but notice in writing has been given, and the chairman of the committee will submit the amendments under that notice, unless unanimous consent is granted beforehand, so that they may be submitted today. I think it is proper to submit one amendment. It was one of the most earnestly considered amendments in the whole bill. The House provision appears on page 47—

Mr. McNARY. Mr. President, what amendment is that?

Mr. McKELLAR. That is the House amendment which the Senate committee struck out concerning our attempt to control contracts to some extent.

Mr. McNARY. Mr. President, will the Senator yield at that point?

Mr. McKELLAR. I yield.

Mr. McNARY. I am advised that the Senator is about to discuss the House provision with respect to limitation on profits?

Mr. McKELLAR. Yes.

Mr. McNARY. The Senator has given, and properly so, notice of action tomorrow, which is necessary under the rules, of course, to endeavor to suspend the rule because of the fact that the proposed amendment is legislation on an appropriation bill. I take it that the House amendment was a limitation, and here we have legislation which comes wholly within the prohibition of the rule. If we are to consider that amendment tomorrow—and it will be necessary to obtain a two-thirds vote for its consideration—why does the Senator launch into a discussion of it today? Why not take the bill up today and consider all the items which are not controversial, or which are not involved in the question of a suspension of the rule, and leave that matter for consideration tomorrow? We had an understanding that after today there would be more or less of a holiday, subject, of course, to sessions on Mondays and Thursdays. I would suggest to the Senator that if he starts out on the amendment today, what is said today will have to be repeated tomorrow. Let us clean up the bill as far as we can today, and then recess until tomorrow, and have simply one proposition before us, which is a very important one.

Mr. McKELLAR. If it is the intention of any Senator to object to considering the amendment today I think the suggestion of the Senator from Oregon is very wise.

Mr. McNARY. Mr. President, that was understood. I may say in the absence of the distinguished Senator from Ohio [Mr. TAFT] and in his name, that I shall have to object. I should have to object in my own name, because I think the amendment clearly comes within the rule, and I also always insist on the enforcement of the rules, as I do today. I understand the able Senator from Georgia [Mr. GEORGE] objected to consideration of the matter today. I will make the statement

now positively, that objection will be made to taking up the amendment today.

Mr. McKELLAR. With that understanding, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments, except two, or really except the one to which reference has just been had, be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the amendments reported by the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, in "Title I—War Department", on page 1, line 8, to strike out:

For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943, to be supplemental to, and to be merged with, the appropriations under the same heads in the Military Appropriation Act, 1942, including the objects and subject to the limitations and conditions specified under such heads, respectively, in such act, as follows:

And to insert:

For additional amounts for appropriations for the Military Establishment, fiscal year 1942, which, together with the unexpended balances remaining under all appropriations for the Military Establishment for the fiscal years 1940 and 1941, shall be supplemental to, merged with, and become a part of, the appropriations under the respective heads in the Military Appropriation Act, 1942, as amended by acts supplemental thereto, including the objects and subject to the limitations and conditions specified under said heads, respectively, in those acts, except as otherwise provided herein; and such appropriations heretofore and herein made shall remain available until June 30, 1943, for the purposes of such appropriations, including obligations chargeable against appropriations for the Military Establishment for the respective purposes of said appropriations for the fiscal years 1940 and 1941, as follows:

The amendment was agreed to.

The next amendment was, under the heading "Finance Department", on page 3, line 7, to strike out the subhead "Pay of the Army", and to insert "Finance Service, Army"; in line 9, before the word "For", to insert "Pay of the Army"; and in line 10, after the word "States", to strike out "\$325,113,462" and to insert the following: "Including the pay of members of the Army Specialist Corps, \$327,331,562: *Provided*, That members of that corps who are assigned to the supply services of the Army may be paid from the appropriations for the work upon which they are engaged: *Provided further*, That no part of this appropriation shall be available to pay the salary of any member of that corps unless such member is appointed by the President, by and with the advice and consent of the Senate."

The amendment was agreed to.

The next amendment was, on page 3, line 19, to strike out the subheading "Travel of the Army" and to insert before the word "For", the words "Travel of the Army:".

The amendment was agreed to.

The next amendment was, on page 5, line 8, to strike out the subhead "Ap-



prehension of deserters" and in line 9, before the word "Funds" to insert "Apprehension of deserters:".

The amendment was agreed to.

The next amendment was, on page 5, line 13, to strike out the subhead "Finance Service"; in line 14, before the word "For", to insert "Finance Service:"; and in line 14, after the words "in all", to strike out "\$419,478,462", and insert "\$421,696,562."

The amendment was agreed to.

The next amendment was, under the heading "Quartermaster Corps", on page 6, line 2, to insert as a subhead the words "Quartermaster Service, Army"; in line 14, after the word "transportation", to strike out "\$761,412,202" and insert "\$817,912,000"; in line 16, to strike out the subhead "Welfare of enlisted men"; and in line 19, after the words "in all", to strike out "\$1,317,225,479" and insert "\$1,373,725,277."

The amendment was agreed to.

The next amendment was, on page 7, line 12, to strike out the subhead "Engineer Service, Army."

The amendment was agreed to.

The next amendment was, under the heading "General provisions", on page 9, line 14, after the words "apply to", to strike out "persons who have lost their citizenship by serving in the armed forces of another nation but who apply and are accepted for service in the Army of the United States" and to insert "military personnel."

The amendment was agreed to.

The next amendment was, in Title II—Navy Department, on page 12, after line 10, to insert:

#### BUREAU OF NAVIGATION

##### TRAINING, EDUCATION, AND WELFARE, NAVY

Funds appropriated under the heading "Welfare and recreation" shall be available for the hire and use of buildings, grounds, services, facilities, and subsistence for rehabilitation and recuperation of naval personnel returned from war service at sea or on shore beyond the continental limits of the United States, including Alaska, the Canal Zone, and insular possessions.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Ordnance", on page 13, after line 16, to insert:

#### BUREAU OF YARDS AND DOCKS

Maintenance, Bureau of Yards and Docks, \$9,000,000.

Public works, Bureau of Yards and Docks: For public works and public utilities, Bureau of Yards and Docks, including the acquisition of necessary land, \$800,000,000, which, together with the unexpended balances of appropriations heretofore made under this head, shall be finally accounted for as one fund, which fund shall be available for continuing or completing the construction of any project heretofore authorized or undertaken thereunder, for acquisition or construction of temporary or emergency buildings and facilities at localities within or without the United States, needed by the Navy and specifically approved by the Secretary of the Navy, including collateral public-works items and other expenses: *Provided*, That contracts for work under this appropriation may be entered into without regard to the provisions of section 709, Revised Statutes.

No part of the appropriations in this act under the Navy Department shall be expended for a permanent type of construction

at any shore establishment of any character acquired subsequently to the calendar year 1938, unless such establishment shall be designated by the Secretary of the Navy as a permanent establishment, and, in that event, a permanent type of construction shall be used only to meet such permanent requirements as the Secretary of the Navy may approve: *Provided*, That nothing herein shall prevent construction of a type sufficiently substantial for the use intended, nor apply to construction projects now under contract or in progress: *Provided further*, That no part of such appropriations may be obligated for the construction of quarters, including heating and plumbing apparatus, wiring and fixtures, for greater amounts per unit than follow:

#### Permanent construction:

For commissioned officer, \$10,000.

For commissioned warrant officer or warrant officer, \$7,500.

For enlisted man, \$6,000.

#### Temporary construction:

For commissioned officer, \$7,500.

For commissioned warrant officer or warrant officer, \$5,000.

For enlisted man, \$3,500.

The fixed fee to be paid the contractor as a result of any contract hereafter entered into under this appropriation shall not exceed 6 percent of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of the Navy.

The amendment was agreed to.

The next amendment was, under the heading "Marine Corps", on page 16, after line 5, to insert "*Provided*, That the appropriations under this heading for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to marines given discharges for bad conduct, undesirability, unfitness, or inaptitude."

The amendment was agreed to.

The next amendment was, under the heading "Increase and replacement of naval vessels", under the subhead "Coast Guard", on page 17, after line 10, to insert:

Maritime training fund, Coast Guard: For the purchase of training ships for merchant marine personnel, \$5,000,000.

Appropriations under the Coast Guard for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to members of the Coast Guard given discharges for bad conduct, undesirability, unfitness, or inaptitude.

The amendment was agreed to.

The next amendment was, under the heading "General provisions", on page 18, after line 19, to insert a new section, as follows:

SEC. 202. The appropriations of the Navy Department for the fiscal years 1942 and 1943 shall be available to carry out the provisions of Executive Order No. 9112 of March 26, 1942.

The amendment was agreed to.

The next amendment was, in line 24, to change the number of the section from "202" to "203."

The amendment was agreed to.

The next amendment was, in "Title III—General appropriations—Legislative", on page 19, line 3, to insert:

#### SENATE

The unobligated balance of the appropriation for expenses of inquiries and investiga-

tions ordered by the Senate, contingent fund of the Senate, for the fiscal year 1942, is reappropriated and made available for the fiscal year 1943.

The unobligated balance of the appropriation for folding speeches and pamphlets at a rate not exceeding \$1 per thousand, contingent fund of the Senate, for the fiscal year 1942, is reappropriated and made available for the fiscal year 1943.

The amendment was agreed to:

The next amendment was, under the heading "Federal Works Agency", on page 26, line 8, after the words "amount of", to strike out "\$20,000,000" and insert "\$25,400,000."

The amendment was agreed to.

The next amendment was, on page 26, after line 14, to insert:

#### NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

For an additional amount for the fiscal year 1942, to remain available until expended, for continuing construction and equipment of the Aircraft Engine Research Laboratory at Cleveland, Ohio, \$3,500,000: *Provided*, That the limitation of \$13,300,000 upon the total cost of construction and equipment of said Aircraft Engine Research Laboratory is hereby increased to \$18,171,000.

The amendment was agreed to.

The next amendment was, on page 26, after line 22, to insert:

#### SELECTIVE SERVICE SYSTEM

For an additional amount for the operation and maintenance of the Selective Service System for the fiscal year 1942, including the objects specified for the appropriation under this head in the Independent Offices Appropriation Act, 1942, \$3,770,000, which amount, together with the said appropriation and \$3,500,000 of the unobligated balance of the appropriation under this head in the Third Supplemental National Defense Appropriation Act, 1941, shall be consolidated and constitute one fund: *Provided*, That from the date of the approval of this act to June 30, 1943, the Director of Selective Service, in prescribing per diem rates of allowance, not exceeding \$6, in lieu of subsistence for officers of the Army, Navy, and Marine Corps, and of the Reserve components thereof, traveling on official business and away from their designated posts of duty, pursuant to the first paragraph of section 12 of the act approved June 10, 1922 (42 Stat. 631), as amended, is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to such officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders.

The amendment was agreed to.

The next amendment was, on page 27, after line 20, to insert:

#### TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for the beginning of construction of a fertilizer and elemental phosphorus manufacturing plant at or near Mobile, Ala., and the acquisition of land in connection with the accomplishment of this project, \$3,000,000, to be available for the administrative objects of expenditure and subject to the conditions specified under this heading in the Independent Offices Appropriation Act, 1942.

The amendment was agreed to.

The next amendment was, on page 28, after line 15, to insert:



## DISTRICT OF COLUMBIA

## GENERAL EXPENSES

Department of Insurance, salaries: For an additional amount for personal services, fiscal year 1942, \$2,445.

Office of Administrator of Rent Control, salaries and expenses: For an additional amount for all expenses necessary in carrying out the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, including personal services and printing and binding, fiscal year 1942, \$5,400.

The amendment was agreed to.

The next amendment was, at the top of page 29, to insert:

## CONTINGENT AND MISCELLANEOUS EXPENSES

Contingent expenses: For an additional amount for general necessary expenses of District offices, fiscal year 1942, including the objects and subject to the conditions and limitations specified under this head in the District of Columbia Appropriations Act, 1942, \$7,200.

Postage: For an additional amount for postage for strictly official mail matter, including the rental of postage-meter equipment, fiscal year 1942, \$4,000.

Printing and binding: For an additional amount for printing and binding, fiscal year 1942, including the condition specified under this head in the District of Columbia Appropriation Act, 1942, \$6,500.

The amendment was agreed to.

The next amendment was, on page 29, after line 13, to insert:

## COLLECTION AND DISPOSAL OF REFUSE

Street cleaning: For an additional amount for dust prevention, sweeping and cleaning streets, avenues, alleys, and suburban streets, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$20,000.

Collection and disposal of refuse, expenses: For an additional amount to enable the Commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, etc., fiscal year 1942, including the objects and subject to the conditions specified under this head in the District of Columbia Appropriation Act, 1942, \$40,000.

The amendment was agreed to.

The next amendment was, on page 30, after line 2, to insert:

## PUBLIC SCHOOLS

Community Center Department: For an additional amount for all expenses necessary for the operation and maintenance of the Community Center Department, fiscal year 1942, including the objects and subject to the conditions specified in the appropriation under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Buildings and grounds: For the completion of six unfinished classrooms at the Lafayette School, fiscal year 1942, to remain available during the fiscal year 1943, \$45,000.

The amendment was agreed to.

The next amendment was, on page 30, after line 12, to insert:

## HEALTH DEPARTMENT

Inspections: For an additional amount for inspections, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Tuberculosis sanatoria, expenses: For an additional amount for provisions, and so forth, fiscal year 1942, including the objects and subject to the limitations specified in the District of Columbia Appropriation Act, 1942, \$40,000.

Repairs and improvements: For an additional amount for repairs and improvements

to buildings and grounds, including roads and sidewalks, fiscal year 1942, \$9,173.

Gallinger Municipal Hospital, expenses: For an additional amount for maintenance of the hospital, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$73,700, and the amount specified for purchase (including exchange) of two motortrucks is increased to \$2,400.

Repairs: For an additional amount for repairs and improvements to buildings and grounds, fiscal year 1942, \$6,500.

The amendment was agreed to.

The next amendment was, on page 31, after line 10, to insert:

## COURTS

Municipal court: For an additional amount for contingent expenses, fiscal year 1942, including the objects specified under this head in the District of Columbia Appropriation Act, 1942, \$840.

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to insert:

## PUBLIC WELFARE

Jail: For an additional amount for maintenance and support of prisoners of the District of Columbia at the jail, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$4,650.

Workhouse and reformatory, expenses: For an additional amount for maintenance, care, and support of inmates, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$12,000.

District of Columbia Training School: For an additional amount for maintenance and other necessary expenses, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Industrial Home School for Colored Children: For an additional amount for maintenance, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$5,000.

The amendment was agreed to.

The next amendment was, on page 32, after line 12, to insert:

## MILITIA

For an additional amount for personal services and other expenses, fiscal year 1941, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1941, \$1,409.18.

The amendment was agreed to.

The next amendment was, on page 32, after line 17, to insert:

## DIVISION OF EXPENSES

The foregoing sums for the District of Columbia, unless otherwise therein specifically provided, shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia appropriation acts for the respective fiscal years for which such sums are provided.

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture, Forest Service, salaries and expenses," on page 33, line 7, after "1942", to strike out "\$250,000" and insert "\$500,000";

The amendment was agreed to.

The next amendment was, on page 33, line 17, after the words "not to exceed", to strike out "\$15,000" and insert "\$35,000"; at the beginning of line 19, to strike out "\$2,000,000" and insert "\$18,100,000"; and on page 34, line 7, after the word "property", to insert a proviso, as follows: "Provided further, That the maintenance, including the pay of enrollees, of any Civilian Conservation Corps camps transferred to the Forest Service either by Congress, or by the President under authority granted by section 801 of the Second War Powers Act, approved March 27, 1942, shall be payable out of this appropriation."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Entomology and Plant Quarantine", on page 34, line 18, after "1942", to strike out "\$1,665,000" and insert "\$1,850,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce, Office of Administrator of Civil Aeronautics," on page 36, line 19, after "1942", to strike out "\$1,940,000" and insert "\$6,020,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior, Office of the Secretary", on page 38, line 17, after the words "not to exceed", to strike out "\$8,000" and insert "\$50,000"; and in line 25, after the figures "1942", to strike out "\$324,800" and insert "\$1,565,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Labor, Office of the Secretary", on page 42, after line 12, to insert:

Salaries and expenses, apprenticeship training program (national defense): For an additional amount for the fiscal year 1942 for "Salaries and expenses, apprenticeship training program (national defense)," including the objects specified under this heading in the Department of Labor Appropriation Act, 1942, \$90,000.

The amendment was agreed to.

The next amendment was, on page 42, line 23, after "1942", to strike out "\$76,500" and insert "\$226,500."

The amendment was agreed to.

The next amendment was, under the heading "Title IV—General provisions", on page 45, after line 11, to strike out:

SEC. 401. Section 2 of the First Supplemental National Defense Appropriation Act, 1942, and the last proviso under the caption Military Posts in title IV, Military Appropriation Act, 1941, are hereby repealed.

And insert:

SEC. 401. The last proviso under the caption "Military posts" in title IV, Military Appropriation Act, 1941 (Public, No. 800, 76th Cong.), is hereby repealed, and section 2 of the First Supplemental National Defense Appropriation Act, 1942, approved August 25, 1941 (Public Law 247, 77th Cong.), is hereby amended to read as follows:

"SEC. 2. It shall be the duty of the Secretary of War and the Secretary of the Navy, respectively, to file with the Congress, within 60 days after the end of each fiscal year, a complete list of all contracts in excess of \$50,000, including contracts for the purchase of land, undertaken during such fiscal year for the expenditure of funds appropriated by this or any other act, showing (1) a summary of the subject matter of each contract;



(2) the names of the contractors; (3) the names of the persons who approved the specifications, consummated the making or concluded the negotiation of any such contract on behalf of the Government, and of all persons who participated in the negotiations on behalf of the contractor; (4) if any such contract was awarded without competitive bidding, a statement of the principal or controlling reason for the selection of the contractor; and (5) as to contracts for the purchase of land, also the location, area, intended use, the purchase price, and assessed value thereof."

The amendment was agreed to.

The next amendment was, on page 47, after line 9, to strike out:

Sec. 402A. No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or Naval Establishments, designated as "final payment" to any contractor who fails to file with the procuring agency a certificate of costs and an agreement for renegotiation of contract and reimbursement of profits in excess of 6 percent.

The PRESIDING OFFICER. Without objection, this amendment will be passed over.

The next amendment was, on page 48, line 19, after the word "exceed", to strike out "\$862.50" and insert "\$925."

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the clerks will renumber the sections to conform to the amendments agreed to this day.

Mr. McKELLAR. Mr. President, I ask unanimous consent that I may offer at this time an amendment on page 48, line 19, before the period, to insert "Provided, That purchases of automobiles heretofore made at prices not in excess of those herein authorized are hereby authorized and validated."

Mr. McNARY. Mr. President, may we have the amendment stated by the clerk?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 48, line 19, before the period, it is proposed to insert "Provided, That purchases of automobiles heretofore made at prices not in excess of those herein authorized are hereby authorized and validated."

Mr. McKELLAR. Mr. President, that amendment arises in this way: There was a limitation of \$750 on the purchase of automobiles.

Mr. McNARY. On how many automobiles?

Mr. McKELLAR. The limitation of \$750 applied to one automobile. Some time ago the Army desired quite a large number of automobiles, and gave an order for them. The Ford Co. notified the Army that it could not furnish the automobiles in the limited time specified because of the order which forbade the manufacture of automobiles and turned the automotive industry into an arms-producing industry, unless overtime were allowed. The Department went to the Judge Advocate General, and the Judge Advocate General gave an opinion to the effect that under the peculiar circumstances the Army had a right to pay more. The Army thereupon bought 9,300 automobiles at \$770 each, instead of \$750. The purpose of the amendment

is to validate that purchase. The Army officials acted upon the opinion of the Judge Advocate General. It seems there was some mistake about that opinion. The Army has already received a large number of the automobiles, and they actually cost \$20 more. The difference between the limitation and the actual cost was \$20.

Mr. McNARY. How many automobiles are involved?

Mr. McKELLAR. Nine thousand three hundred. The amount involved is about \$193,000.

Mr. McNARY. To what use are the automobiles put?

Mr. McKELLAR. They are put to all the uses for which cars are employed in the Army and Navy.

Mr. McNARY. That is a very general answer.

Mr. McKELLAR. It is; and only very general language was given to us.

Mr. McNARY. I object to the consideration of the amendment today.

Mr. McKELLAR. I give notice that I shall bring up the amendment tomorrow. I am doing so under the instructions of the committee. I have already given notice, as required by the rules.

In order to clear up the record in connection with the amendment going over until tomorrow, there is some question as to whether we shall adjourn or take a recess. Our leader advises me that he wishes to have the Senate take a recess; but in order to be certain, I think I should ask for a ruling from the Chair as to whether, in giving the notice, we ought to specify a calendar day or a legal day. I merely wish to be sure that we can take up this amendment tomorrow. If the Chair thinks that we cannot, I shall ask the leader to move to adjourn until tomorrow rather than take a recess.

Mr. BARKLEY. Mr. President, I am perfectly willing to accept the ruling of the Chair. It does not make any particular difference to me whether we recess or adjourn. If we adjourn, we shall have to have what is known as a morning hour tomorrow. If we recess, that will not be necessary. It does not make any difference to me.

Mr. McKELLAR. I should much prefer to have the Chair hold that a calendar day is meant by the rule.

The PRESIDING OFFICER (Mr. BUNKER in the chair). Under the precedents, the Chair holds that in this case a day will be construed to be a calendar day.

Mr. BARKLEY. So it makes no difference whether we recess or adjourn.

The PRESIDING OFFICER. That is true.

Mr. McKELLAR. That completes the bill, with the exception of the two amendments which have gone over because of the rule.

Mr. TAFT. Mr. President, while I am opposed to the committee amendment to the pending bill proposing a limitation on profits, I am particularly opposed to the terms in which that amendment is written. It seems to me that those terms are unreasonable, and that they prescribe no standard whatever. At this time I wish to submit a substitute for the amendment proposed by the committee.

Unfortunately, I was not able to see the committee amendment until this morning. My amendment has been very hastily prepared. While it has in it the general ideas I wish to present, I reserve the right to offer another amendment tomorrow. In order that it may be printed and in the hands of Senators tomorrow, I submit a substitute for the amendment proposed by the committee and ask that it be printed and lie on the table, and also printed in the RECORD.

The amendment submitted by Mr. TAFT, intended to be proposed by him to the (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, was ordered to lie on the table and to be printed, and to be printed in the RECORD, as follows:

Sec. 402 (a) The Secretary of War, the Secretary of the Navy, and the Maritime Commission are hereby instructed to insert in every contract for an amount in excess of \$100,000 hereafter made by such department a provision for the retention by the United States or the repayment to the United States of any amount of the contract price which represents excessive profits, determined as hereinafter provided, and a provision requiring the contractor to insert in every subcontract for an amount in excess of \$100,000 made by him under such contract a provision for the retention by the United States or the repayment to the United States of any amount of the contract price representing excessive profits, determined as hereinafter provided, and a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

(b) All sums provided to be paid by the contract in excess of cost, plus a percentage of the contract price determined as hereinafter provided, shall be deemed to be excess profits for the purposes of this section. The cost of performing contracts shall be determined in accordance with the method of cost accounting regularly employed in keeping the books of the contractor in question, but if no such method of cost accounting has been employed, or if the method so employed does not, in the opinion of the Profits Board hereinafter created, clearly reflect such cost, such cost shall be determined in accordance with such method as in the opinion of said Board, does clearly reflect such cost. In the case of a contractor which does not regularly employ a method of cost accounting in keeping its books, such contractor may, with the approval of the Secretary, determine the allocation of indirect costs to be made to contracts according to the ratio of direct cost of performing contracts to total costs. Irrespective of the method employed by any contractor for determining costs of performing contracts, no item of cost shall be charged to the performance of any such contract or used in any manner for the purpose of determining the cost of such performance, unless such item would have been chargeable against such contract if such contract had been subject to the provisions of section 3 of the act of March 27, 1934 (known as the Vinson-Trammell Act), prior to the enactment of the Second Revenue Act of 1940. In determining cost no allowance shall be made for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor, or for any other costs incurred by the contractor which are excessive and unreasonable. All taxes, including excess-profits taxes, normal taxes, and surtaxes, may be included as part of the cost.



(c) There is hereby created a Profits Board, to be made up of the Secretary of War, the Secretary of the Navy, the Chairman of the Maritime Commission, the Secretary of the Treasury, and the Chairman of the War Production Board. Each of such members shall have the right to appoint a substitute to serve as a member of the Board and perform all of the functions of such member. Such Board shall forthwith classify all contracts in as many classes as it may determine, giving due regard to the character of the article involved, the nature of the contract, the amount of capital required in manufacturing or other activities essential to performance of the contract, the rate of turn-over, and other factors. The Board shall then determine a proper percentage of total cost to be allowed in the case of each such type of contract, to be in no case less than 2 percent of total cost and in no case more than 10 percent of total cost. The Board shall fix such percentages of total cost for each type of contract as in its opinion will return to the contractors entering into such type of contract approximately 5 percent per annum on the capital which it has invested in the business. The percentage so fixed by the Board shall be added to the cost, and those sums in excess of the cost plus the percentage so fixed shall be deemed to be excessive profits.

(d) The Profits Board shall have power to make regulations with regard to the proper method of determining costs and percentages of cost.

Mr. BYRD. Mr. President, I should like to make a very brief statement in regard to the pending bill. I do not desire to delay consideration of the bill, but I wish to call the attention of the Senate to the fact that with the passage of this bill, containing appropriations aggregating \$19,000,000,000, there will be available an unexpended cash balance of \$100,000,000,000 in funds already appropriated for national defense. That \$100,000,000,000 does not include any contract authorizations. Neither does it include the large appropriation made for cargo ships. One hundred billion dollars lies unexpended from funds already appropriated for national defense.

Mr. President, no Member of the Senate is more anxious to see this country go forward in its defense program than is the Senator from Virginia; but it seems to me that the time must come when the Congress of the United States should ask the agencies in charge of our defense program to give some specifications as to when these huge sums will be expended. On the basis of the expenditures of last month, which were somewhat in excess of \$2,000,000,000, it will take 50 months to spend the \$100,000,000,000.

I ask unanimous consent to have printed in the Record as a part of my remarks a statement which has been very carefully prepared, showing the defense expenditures beginning with July 1940. As the Senate may recall, that was the month following the fall of France. The statement likewise shows each month the unexpended appropriated balances for national defense. I may say that in July 1940, \$194,000,000 was appropriated for national defense, with unexpended balances for that month of \$7,764,000,000.

The statement gives the expenditures for each month and the unexpended balances for each month. I ask that the statement be incorporated in the Record, because I think the attention of the

country should be called to the fact that, with this bill, there remains in the Treasury of the United States \$100,000,000,000 available for national defense. I think we may remember and recall that the war will not be won by appropriation bills; that this money should be expended; and that the tanks, airplanes, battleships, and other things for which the money is to be expended should be brought quickly into actual existence.

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Without objection, the statement submitted by the Senator from Virginia will be printed in the Record.

The statement is as follows:

*Statement of national defense expenditures and unexpended balance, July 1940 to February 1942, inclusive*

	Defense expenditures	Defense unexpended balances
1940:		
July.....	\$194,000,000	\$7,764,471,929
August.....	220,000,000	7,544,471,929
September.....	237,000,000	10,142,752,223
October.....	309,000,000	11,380,987,305
November.....	393,000,000	10,987,987,305
December.....	494,000,000	10,493,987,305
1941:		
January.....	591,000,000	9,902,987,305
February.....	613,000,000	9,778,487,305
March.....	773,000,000	17,387,999,682
April.....	787,000,000	19,608,686,070
May.....	858,000,000	18,319,242,070
June.....	833,000,000	17,469,175,055
July.....	966,000,000	32,102,652,926
August.....	1,129,000,000	37,517,779,089
September.....	1,327,000,000	36,190,386,406
October.....	1,534,000,000	40,800,714,246
November.....	1,446,000,000	39,355,111,665
December.....	1,847,000,000	47,095,578,301
1942:		
January.....	2,101,000,000	57,520,696,349
February.....	2,201,000,000	79,692,505,859

<sup>1</sup> Figures taken from Treasury bulletin and Daily Treasury Statements.

<sup>2</sup> Inclusive of \$14,045,339,974 in Naval Appropriation Act for 1943, approved Feb. 7, 1942, which amount will not be available until July 1, 1942. These balances represent the cash balances, that is, after deducting the cash expenditures; of course, there are a great many unliquidated obligations standing against all balances.

NOTE.—The statement given above of the unexpended balances available for national defense refers to what may be termed cash balances subject to immediate expenditure. These balances do not include contract authorizations, which will add many billions more to the total of \$100,000,000,000 now unexpended and available for disbursement for defense purposes. Neither do these figures include very large sums already appropriated for cargo ships and other items connected with national defense. The figures given above are the national defense expenditures exclusively, such as procurement of military supplies, construction of camps, payments to soldiers and sailors, etc.

Mr. McKELLAR. Mr. President, let me ask if consideration of the pending bill is to go over until tomorrow.

The PRESIDING OFFICER. The Chair so understands.

Mr. McKELLAR. As under a recess?

The PRESIDING OFFICER. That is correct.

#### RELIGIOUS FREEDOM

Mr. MEAD. Mr. President, in this holy season, a sacred and solemn occasion which culminated in an ever-joyous Easter Sunday, commemorative of Christ's resurrection, it is fitting to give thanks that we live in a land of freedom of divine worship; the equality before the law and in our social and civic life of all forms of religious expression consistent with the common good is an American right unique in the history of peoples. It goes even beyond the theory and practice

of religious tolerance, which is always a characteristic of a true democracy, and stands in compelling contrast with the situation existent in the totalitarian countries.

This distinctively American attitude toward religion began in a material sense with the forging of our Constitution, and received emphasis by being incorporated into the very first of the articles of the Bill of Rights which stated that—

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.

Without interruption, the principle has continued down to this day and is unquestionably the choicest right in our American heritage. It is the keystone of our Republic.

The antithesis of this right of each and every American citizen—Catholic, Protestant, or Jew—to worship God in his own way and to believe theological and ethical doctrines dictated to him by his own conscience, without political interference, active or positive, is an attitude of those states which claim to be morally omnipotent. It is true that in this terrible war in which the whole world is engulfed there is no clear-cut line of demarcation between the two groups of combatants on the basis of religious tolerance; but, by and large, this principle is more widely recognized on the part of the Allied Nations than it is on the side of the Axis. To say that this is exclusively a holy war would be an error of oversimplification; but it will be most difficult for us to preserve our traditional American religious freedom if we are conquered by the Axis. Violent terroristic measures effectuated by the sword can crush this freedom more effectively than can peaceful antireligious indoctrination.

What will happen in the matter of religious freedom if there is an Axis victory may be inferred from what has taken place in religion-loving Germany under Hitler. Italy would not be strong enough to interfere with the German pattern of subordinating church to state even if Italy wished to do so. Japan—which, as a nation, has never forsaken its program, not even in a nominal sense—would certainly have no reason to preserve our religious liberty. The religious situation in Nazi Germany speaks for itself.

The persecution of organized religion has become a recognized and common weapon in the hands of Nazi leaders. They would replace belief in God with belief in Hitler, and would make a religious nazi-ism. Rosenberg, the leader of the new national pagan church in Nazi Germany, said at the Nuremberg party congress in 1938:

I am absolutely clear in my mind, and I think I can speak for the Fuehrer as well, that both the Catholic Church and the Evangelical Confessional Church as they exist at present must vanish from the life of the people.

The basic principles of the pagan religion which Rosenberg plans as the National Reich Church have been published in a 30-point program which reached our American press late last fall.

Briefly, under this new National Reich Church, the Holy Bible is banned from the altars of all churches, and the holy



book of the new religion becomes Hitler's *Mein Kampf*. The cross is removed from the altars of all churches, to be replaced by a sword and the swastika. Baptism and the religious ceremonies of marriage and burial are abolished. All church property of all faiths will be handed over to the state.

Let me quote in their entirety points 4 and 5 of the Rosenberg plan. They are:

Other churches or religious associations, above all those based on international bodies or directed from abroad, will not be tolerated in Germany by the National Reich Church. The National Reich Church is immutably fixed in its one objective: to destroy the Christian belief imported into Germany in the unfortunate year 800, which tenets conflict with both the heart and mentality of the German.

Point seven declares:

There will be no \* \* \* pastors, chaplains, or religious orders; only the national "orators," who are state functionaries, will be allowed to speak.

Services are to be held on Saturday night.

In another point Rosenberg says:

All church property belonging to all confessions shall be immediate handed over to the state.

In other points:

Immediate cessation of the printing of the Bible—

as well as its distribution or importation, is demanded. All religious papers are to be suppressed.

Accompanying the suppression of the ceremony of baptism is the requirement that parents of a new baby swear an oath before the altar of the Reich church that they are Aryan. They must vow also—

To bring up their child in the German spirit for the German people—

before he may receive a birth certificate as a German citizen.

There is a similar oath for marriage. Good Friday is replaced by a youth day, and all other religious festivals, as we know them, are abolished.

Such a program is progressing rapidly within Germany. Christian church property is continually being confiscated. Jewish synagogues and temples have long since been destroyed. Strict Nazi circles eliminated Christian ceremonies some time ago. On June 1, 1941, all Catholic periodicals, bulletins, and newspapers were forced by the Nazis to cease publication. The same thing is true of Protestant religious publications in Nazi Germany.

The National Catholic Welfare Conference in the United States, which represents all the Catholic bishops in the United States, has received word from abroad that all Catholic monasteries in Nazi Germany have now been closed by government order. Many Protestant religious buildings suffered a similar fate long ago.

We all know of the horrors suffered by victims of the new order in countries occupied by the Nazis. Among the worst sufferers was Catholic Poland. The excellent pamphlet on Nazi propaganda tactics, *Divide and Conquer*, published by the Office of Facts and Figures this past

week, stated that according to Cardinal Hlond, of Poland, the Catholic Church has been practically wiped out in western or Nazi Poland. Three-quarters of the population have been deprived of the services of the church, even on their death beds. Think of it—even on their death beds.

In 2 archdioceses in Poland 1,338 religious buildings have been destroyed or closed, of which over 600 were churches. One thousand three hundred and thirty-eight houses of God defiled openly in only these 2 provinces. The sum total of damage done by the Nazis in western Poland alone is too staggering to contemplate.

Now, let me tell my fellow Senators what the new Nazi Party leader, Bormann, who has taken the place of Rudolf Hess as Hitler's right-hand man in the nefarious Nazi dealings, had to say about the fate of Christianity in the German state.

In a document which was intended for his party subordinates, and which fell into the hands of Douglas Miller, former commercial attaché at the American Embassy in Berlin, Bormann said that Christianity in the German state must be annihilated forever.

Bormann said:

Nazi and Christian ideologies are irreconcilable. The Christian church is based on the ignorance of mankind, for only thus are the Christian churches able to maintain their power.

Think of it! The Nazi religion, according to Bormann, is based on the "latest of scientific research"—research that has brought death and destruction to millions of people within and without Nazi Germany.

The Nazi philosophy, on the other hand, according to Bormann, is based—I quote—on the "latest of scientific research."

The Nazi Party leader remarks further on Christianity. Nobody would know anything about Christianity, he says, if he had not been "stuffed" with it in his youth by the priests. Thus states Bormann, if German youth hear nothing more of Christianity, whose doctrine he considers so inferior to the German ideals, "Christianity will cease to exist."

Every influence, says Bormann, which might diminish or injure Hitler's leadership must be eliminated. He states: "The people must be liberated more and more from the churches, and their parasites, the priests. Such influence must be broken, absolutely and definitely."

Everyone, no doubt, is familiar with the heroic efforts of that distinguished Lutheran churchman, Rev. Dr. Neimöller, and I am sure that many heard over the radio a few days ago what happened to a leading churchman in Norway who undertook to resent restrictions and limitations upon his church and his people. In the concluding statement of the report it was explained that that churchman is now listed among the "missing."

I quote Bormann's concluding words. Mark them well, my colleagues, for the deadly purpose of the Nazi leaders has never been more definitely stated than here. Bormann declares:

Just as the obnoxious influence of astrologists, soothsayers, and other swindlers has been suppressed and eliminated by the state, so must the power and influence of the churches be annihilated forever. Only after this has been achieved \* \* \* will the existence of the nation and the Reich be assured forever.

This then is an admission, from the Nazi Party leader himself, that God stands in the way of the continued existence of the Nazi state.

Certainly we know that men who live according to the laws of God could never be a party to that most dastardly of Nazi crimes against the German people themselves—the so-called mercy killings.

The doing away with innocent citizens, which the Nazis call mercy killings, can be explained only as the murder of German citizens with the approval of the German state. The excuse for murder is that these German citizens are "unproductive." In other words, if one is maimed, blind, or injured in some manner which makes him unable to play what the Nazis consider a productive part in the life of the country, he is murdered, in cold blood, by his own leaders. God alone knows what terrible crimes have been committed against the foes of the Nazis inside Germany, against those who do not conform to the Nazi pattern, by this nefarious scheme of legalized murder.

A German bishop, inside Germany, had the courage not long ago to denounce this terrible blood-chilling practice in a sermon delivered in Westphalia, which was recently smuggled out of Germany. The bishop of Muenster, Clemens von Galen, one of Germany's leading churchmen, declared in this sermon:

According to what I have learned on good authority, the practice in homes and clinics in Westphalia is to draw up lists of patients who are transferred elsewhere as unproductive citizens, and after some time they are put to death.

Some disease or other is given as the cause of death—

Says Bishop von Galen—

but as the bodies are immediately cremated, neither their families nor the regular police can afterwards find out whether the disease is genuine or what really was the cause of the death.

The bishop commented:

It is the thought that these patients are like old machines which can no longer work. Like an old horse which has become incurably lame, or like a cow which can no longer give milk.

The bishop continued:

If one admits the principle that unproductive men can be killed, then woe to our gallant soldiers who come back to their country wounded, maimed, or sick. None of us will be sure of his life.

The good bishop, in his concluding words, summed up the conditions which have come about in Germany, in the Nazi state where all freedom, as well as religious freedom, has been eliminated from the life of the people. He declares:

The name of God is constantly ridiculed, dishonored, and blasphemed. As for the first commandment, men have been created according to their own good pleasure, false



gods to adore—nature, the state, the people, the race.

Is it surprising then—

Bishop von Galen asks—

that they also try to claim divine prerogatives, and to make themselves the masters of the life and death of their neighbors?

In reciting these facts, I know that Nazi Germany is not the only country since the end of the first World War to embark upon an insane policy of religious persecution aimed at the destruction of Christianity upon which ultimately our own American creed of liberty of religious freedom rests. But in the present situation, it is the Nazi leaders who constitute the greatest, immediate menace to the survival of the American manner of dealing with the problem of divinity of religious convictions among men. Surely that fact should weigh heavily on the side of our decision to defeat our enemies, while giving thanks to Almighty God in this holy season for His aid in raising up a republic of freemen who are pledged to maintain and defend that ideal of surpassing splendor—religious liberty.

The religious-loving Protestants, Catholics, and Jews of Germany are Hitler's victims today. The nations he has conquered have lost their right to practice the religion of their choice. This dread menace must never come to the Americas.

#### SIXTH SUPPLEMENTAL DEFENSE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

Mr. MEAD. Mr. President, I desire to offer to the pending bill an amendment which, in my judgment, is in keeping with the religious spirit that fills our hearts and our souls at this holy season of Easter tide. We all know that in the conduct of the war, and the letting of defense contracts, racial and religious discrimination has, unfortunately, crept in here and there; that men whose parents came from certain portions of Europe and men, although their sons are in the Army have been, because of their names or color, listed as unworthy or unwanted in some of our defense industries, and in the work on some of our defense contracts. As the appropriation bill before the Senate has to do with defense work and defense contracts, I desire to offer an amendment which is aimed to prevent discrimination against or in favor of any employee or prospective employee or applicant for employment because of his race, color, or creed and to provide suitable penalties for the violation of this mandate. I offer the amendment to the pending bill.

The PRESIDING OFFICER. The amendment will be received and lie on the table.

Mr. BROOKS. Mr. President, speaking of the amendment which was just offered, I wish to approve its purpose, and referring to the bill which is before the Senate, those of us who heard the testimony pertaining to the bill feel that it should be passed, and I intend to vote for it. However, there is a growing feel-

ing throughout the country, a feeling which has been expressed here in the Senate, that we will not be able to expend efficiently and intelligently the vast and unheard-of sums we have appropriated for the war effort. The objectives and the purposes for which we are asked to appropriate these funds are good, and it remains for those who administer our vast war effort to put them to the most efficient and effective use.

In the ultimate analysis, the measure of production is labor and energy—that is, man-hours and kilowatt-hours.

The real cost of the production of a gun, tank, plane, ship, supplies, or munitions is the man-hours and the kilowatt-hours required for their fabrication, plus the man-hours and kilowatt-hours to produce the materials from which the item is made, plus the man-hours and the kilowatt-hours for the upkeep of the plant, plus the man-hours and the kilowatt-hours to supply the personal needs of the men doing the work.

The fact that these essential elements have not been properly analyzed and coordinated is undoubtedly responsible for some of the lag and delay in our war production to date.

The bill under consideration provides for vastly expanding facilities for a larger Navy and the Marine Corps, and provides for the clerks to register the manpower of the entire country. It is certainly evident now that this war effort will tax to the extreme every ounce of manpower possible for the military service, plus every possible ounce of manpower, and plus every possible kilowatt-hour for production, plus the financial resources of the entire Nation. I am sure that by now we realize that mere dollars, even if we had them, can produce nothing.

The system of employment now pursued is bringing much concern to a very large percentage of our population, for it is depriving them of an opportunity to join in the war program. Not thousands but millions of our people are kept in unemployment because of age limits, and hundreds of thousands are discriminated against because of race or color. These conditions must be corrected if, as we hope, we are to have complete unity and maximum production.

Imagine, if you can, the establishment of an age limit that would deprive us, in many instances, of our most experienced industrialists who are successfully setting up the vast assembly and supply lines for the most rapid and efficient production of our war materials.

On the other hand, we are practically eliminating the great army of World War men, who gave their energies in the first great World War. I speak now of the approximately 5,000,000 men who were called into the service in 1917 and 1918. These men are now beyond the age of 45. They are subject to registration, but are not acceptable for enlistment except in a few instances.

The Army established a low age limit in many classifications not exceeding 35 years for both officers and men. The Navy maximum is 50 for lieutenant commanders, and 44 for lieutenants. The Merchant Marine has done a little better,

with a maximum of 54 years. The United States Civil Service Commission raised some of its age limits to 57.

In industry the limitations have been so great, even for such simple positions as guards, that both older men and women have been deprived of opportunities to obtain employment.

Recently the War Department asked men who had been officers in the World War to submit questionnaires for commissions or administrative employment. An unusually large number of applicants responded, but, as yet, little has been done toward the commissioning or the appointment of these older men.

So impressive is this ban on age that even graduates of West Point and of the United States Naval Academy, who normally would retire at 64, are not called from the reserves into active service after they are 60. These men could easily take the places of younger men at desk positions, releasing the younger men for the more active service.

When it is considered that persons must reach 65 before being eligible for old-age assistance in many States, it will be understood how serious this situation is in regard to our old people, especially with the cost of living rising, while they are denied employment. This unemployment rigor also extends to the partially physically incapacitated who might, during this emergency, be safely employed in many lines of industry.

I have received an unusually large number of inquiries from these older people asking for an opportunity to participate in the defense of their country, and while we are appropriating this additional vast amount of public money, I take this opportunity of calling these facts to the attention of those charged with the administration of the war effort, the Army, Navy, and Marine Corps, and particularly those who are to award these contracts, for they can certainly influence industry to start now in a vastly increased manner to relinquish some of their more rigid regulations, and to pull back these older people, training them during this period, before the sturdy and the strong young men of America will be called upon for extended active service in the armed forces of the Nation.

Mr. PEPPER. Mr. President, I submit the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move hereafter to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, namely: At the proper place in the bill insert the following additional sections:

Sec. —. It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature, as an initiation fee or charge which is made a condition precedent to the right, or opportunity, to work upon any war work, as defined by the War Production Board. Any person violating this provision shall upon conviction be punished by imprisonment not exceeding 1 year, or by fine not exceeding \$1,000.

Sec. —. The President shall proclaim a day, and, if necessary, in his judgment, an exact time of day within the last 2 years which shall be deemed for the duration of the war



to be the date on which existed the standard maximum level of prices for all goods, articles, or commodities, including rental of property, and interest on money, and the standard maximum level of compensation for all services.

The price or compensation existing at the time fixed in the proclamation of the President shall for the duration of the war, or until the revocation of the Presidential proclamation by the President become the standard maximum price for the acquisition, or use of all goods, articles, or commodities, including rental of property, and rates of interest and the standard maximum level of compensation for services to which such price, or compensation, respectively, applied at such time: *Provided, however,* That the Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may whenever it deem such action necessary to the effective prosecution of the war, and in the public interest, or to avoid any undue hardship, alter any price, or rate of compensation, in any case, or class of cases.

If any such maximum price or maximum compensation is altered as herein provided by the Office of Price Administration with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, then the price or compensation so fixed shall constitute the maximum price of any goods, articles, or commodities, including rental of property, or interest on money, capital, or credit, or compensation to be paid and received for any services rendered.

The Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production and the Chairman, or his representative, of the Board of Economic Warfare, may when no price level for the acquisition or use of any goods, articles, or commodities, including rental of property, or interest on money, or credit, or compensation level for services existed on the date proclaimed by the President, fix the maximum price for the acquisition or use of any such goods, articles, or commodities, including rental of property, or interest on money, or credit, and the maximum compensation for any such services.

Any person charging or paying a higher price for any goods, articles, or commodities, including rental of property and interest on money, capital, or credit, or any person paying or receiving a greater compensation than so fixed by the Office of Price Administration shall upon conviction be imprisoned not exceeding 1 year, or fined not exceeding \$1,000, or both. This provision shall be effective for the duration of the war only.

Mr. PEPPER also submitted amendments intended to be proposed by him to House bill 6868, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

The PRESIDING OFFICER. The notice will be received and printed in the RECORD.

Mr. O'MAHONEY. Mr. President, I ask the Senator from Florida to state the purport of the amendment he has just sent to the desk to be printed.

Mr. PEPPER. There are two amendments. The first makes it unlawful to impose any charge in the nature of an initiation fee or charge as a condition precedent to the right or opportunity for a person to work upon any war work as defined by the War Production Board. As the Senator will observe, it is intended to strike at the evil, which has unhappily

and unfortunately grown up in the country, of requiring excessive sums to be paid by would-be workers on defense projects as a precedent to their opportunity to begin work.

The second amendment may perhaps best be described as being a statement in my own feeble way of the Baruch plan for fixing an over-all ceiling on prices of all kinds of goods, commodities, and articles, including rents of real property, and including interest on money, and a ceiling on compensation to be paid for services.

The amendment contemplates that the President shall proclaim a certain day, or, if in his decision it is necessary, a particular time of day as well, which shall be considered for the duration of the war as the day on which existed the standard maximum level of prices and compensation. That standard maximum level is made the standard for the duration of the war, but power is conferred upon the Office of Price Administration, when acting in concurrence with the Chairman of the War Production Board or his representative, and the Chairman of the Economic Warfare Board or his representative, to alter the price or compensation for services existing upon the date chosen and proclaimed by the President.

The amendment also gives the Office of Price Administration, with the concurrence of the Chairman of the War Production Board or his representative and the Chairman of the Economic Warfare Board or his representative, the power to fix as a maximum standard any price or compensation for services for which there was not a standard on the day proclaimed by the President.

The amendment provides a penalty to be imposed on anyone who violates the standards which are thus prescribed, and it specifically limits the application of the law to the duration of the war.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HAYDEN. I had stepped out of the Chamber for a moment, and I wish to ask about the procedure. Is the Senator describing a proposed amendment?

Mr. PEPPER. I have offered two amendments to be proposed to the pending appropriation bill, and have given notice in writing that I shall proceed to ask for a waiver of the rule so that the amendments may be considered hereafter, when it is possible under the rules of the Senate.

Mr. O'MAHONEY. Mr. President, when the Senator from Florida rose to give notice of his desire to seek a waiver of the rule in order to offer two amendments to the pending appropriation bill, I interrupted him to ask whether he would be good enough to describe to us what the proposed amendments were. He has just concluded his statement in reply to my request.

I was about to remark that this suggestion by the Senator from Florida is an indication of the wisdom of the fundamental rule of the Senate against legislative amendments upon an appropriation bill. The experience of legislative bodies has been, over a long period of

years, that proper consideration cannot be given to legislative matters when they are offered as riders to appropriation bills. Therefore, the rule has always been that no such amendment can be offered unless two-thirds of the Senators agree that it should be offered.

I wish to say to the Senator from Florida that I am in complete agreement with him that the Baruch plan, or some plan very similar to it with respect to price stabilization, should be adopted. During the debate upon the price-control bill I pointed out that, in my judgment, that measure was defective, that it would not serve its purpose. The appropriation bill which the Senator from Tennessee [Mr. McKELLAR] has brought before the Senate after careful consideration by the Committee on Appropriations is in itself a demonstration of the validity of this contention, because there are in the bill numerous items of increased appropriation which have been made necessary by increased prices.

My feeling is that the subject matter of the amendments to be suggested by the Senator from Florida is of such tremendous importance that they should not be considered at this time. I feel that if there is one thing the Congress owes to the people of the country it is that it shall give consideration and deliberate judgment to the legislation which is proposed.

Mr. McKELLAR. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. I simply wished to say that I am sure the Senator would not say that the proposal concerning the reexamination of contracts, renegotiation and fixing of contract prices in contracts, is an example of the general suggestion he has made. The House inserted in the bill as passed by it a provision on this very subject, which the Senate committee have stricken out, as it was perfectly proper to do.

I will submit to the Senator another question in that regard.

Mr. O'MAHONEY. Mr. President, I did not mention that amendment at all. The Senator from Tennessee was not on the floor at the time I spoke of the matter.

Mr. McKELLAR. No; I have just come into the Chamber.

Mr. O'MAHONEY. The Senate was about to recess when the Senator from Florida [Mr. PEPPER] rose and gave notice of an intention to move a suspension of the rule in order that two amendments might be added to the bill. The first of these amendments is one which undertakes, as I understand his description, to place a limitation upon the initiation fee which may be charged by labor unions to persons who present themselves for work upon any war contract.

Mr. PEPPER. To prohibit.

Mr. O'MAHONEY. To prohibit. Not to limit, but to prohibit. The second amendment is to propose in substance the Baruch plan.

I interrupted the Senator from Florida to remark that when he asks that two such far-reaching amendments be added to an appropriation bill he is only demonstrating the validity of the rule against



legislative riders upon an appropriation bill.

Mr. McKELLAR. That is true, and I agree with the Senator, because in the instant case, I will say to the Senator from Florida, the Appropriations Committee has had no opportunity to consider the proposed legislation. But I thought the Senator also suggested as falling within the purview of the point made by him the amendment which was directed by the committee to be offered on the floor, and which will be offered on the floor tomorrow by the chairman of the committee.

Mr. O'MAHONEY. Mr. President, I had not even mentioned that amendment.

Mr. McKELLAR. I am glad to know that. I will say to the Senator from Florida that the difference between the two is tremendously striking in this respect. I think the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Arizona [Mr. HAYDEN], and all other Senators who are on the Appropriations Committee will agree with me when I say that the amendment on which we shall vote tomorrow concerning the reexamination of contracts and profits made under the war contracts, has been as carefully examined into as any proposal ever was by any committee since I have been here.

Mr. O'MAHONEY. Mr. President, I think the Senator is covering a great deal of territory in that statement.

Mr. McKELLAR. I am covering this much territory: I have been in the Senate for 26 years, and I have never seen an amendment given more careful consideration by any committee than that amendment was given, and the Senator from Wyoming probably gave it more attention than any other member of the committee.

Mr. O'MAHONEY. No, Mr. President, I would not accept that compliment. I do want to say here and now that the Senator from Tennessee, who is chairman of the subcommittee in charge of the pending deficiency bill, has been most considerate of all members of the committee, and a great deal of attention has been devoted to the particular amendment dealing with the renegotiation of war contracts. There can be no doubt about that. That amendment is altogether in harmony with the provisions of the bill itself. The Case amendment, so-called, presented in the other House, was in the form of a limitation on appropriations. I am ready to say that under the leadership of the Senator from Tennessee the committee has been most careful and most meticulous in its consideration of this problem; but it opens the door to the amendments which are now being proposed by the Senator from Florida, which, of course, deal with some of the most fundamental problems that are before the Congress, some of the most fundamental problems that are before the administration, but upon which no judgment has as yet been announced by the legislative committees charged with the responsibility for those provisions.

Mr. PEPPER. Mr. President, will the Senators allow me to read the two

amendments, because they will not be in print until tomorrow morning; and if any Senators are interested in their contents, I should like to advise them so far as possible. The first amendment, which will be proposed tomorrow, reads as follows:

It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature, as an initiation fee or charge which is made a condition precedent to the right, or opportunity, to work upon any war work, as defined by the War Production Board. Any person violating this provision shall upon conviction be punished by imprisonment not exceeding 1 year or by fine not exceeding \$1,000.

The second amendment reads as follows:

The President shall proclaim a day, and if necessary in his judgment, an exact time of day within the last 2 years which shall be deemed for the duration of the war to be the date on which existed the standard maximum level of prices for all goods, articles, or commodities, including rental of property and interest on money, and the standard maximum level of compensation for all services.

The price or compensation, existing at the time fixed in the proclamation of the President shall for the duration of the war, or until the revocation of the Presidential proclamation by the President become the standard maximum price for the acquisition, or use of all goods, articles, or commodities, including rental of property, and rates of interest, and the standard maximum level of compensation for services to which such price or compensation, respectively, applied at such time: *Provided, however*, That the Office of Price Administration, with the concurrence of the Chairman or his representative of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may, whenever it deem such action necessary to the effective prosecution of the war, and in the public interest, or to avoid any undue hardship, alter any price, or rate of compensation, in any case, or class of cases.

If any such maximum price, or maximum compensation is altered, as herein provided, by the Office of Price Administration, with the concurrence of the chairman, or his representative, of the War Production Board, and the chairman, or his representative, of the Board of Economic Warfare, then the price, or compensation so fixed shall constitute the maximum price of any goods, articles, or commodities, including rental of property, or interest on money, capital, or credit or compensation to be paid and received for any services rendered.

The Office of Price Administration, with the concurrence of the chairman, or his representative, of the War Production Board, and the chairman, or his representative, of the Board of Economic Warfare, may when no price level for the acquisition, or use of any goods, articles, or commodities, including rental of property, or interest on money, or credit, or compensation level for services existed on the date proclaimed by the President, fix the maximum price for the acquisition, or use of any such goods, articles, or commodities, including rental of property, or interest on money, or credit, and the maximum compensation for any such services.

Any person charging, or paying a higher price for any goods, articles, or commodities, including rental of property and interest on money, capital, or credit, or any person paying or receiving a greater compensation than so fixed by the Office of Price Administration shall upon conviction be imprisoned not exceeding 1 year, or fined not exceeding \$1,000, or both. This provision shall be effective for the duration of the war only.

Mr. HAYDEN. I should like to inquire of the Senator whether either one of those proposals has ever been submitted to or considered by any committee.

Mr. PEPPER. Does the Senator mean the substance of the amendments?

Mr. HAYDEN. Yes; the substance of them.

Mr. PEPPER. I do not know that the first one—prohibiting the payment of initiation fees before persons can work upon war work—has been considered by any committee, but I understand that on one occasion the Senate Banking and Currency Committee, in consideration of the price-control bill, did consider the general subject which is covered in the second amendment—the so-called Baruch plan. I have been told by Mr. Baruch that it was his understanding that his testimony before the House Banking and Currency Committee, which I have read, was also incorporated in the hearings in the Senate committee. So, to answer the Senator's question, the Senate Banking and Currency Committee, so far as I am informed, did have an opportunity, when considering the price-control bill, to consider that general plan and that general purpose. I have submitted neither one of these amendments to any committee of the Senate because I have not had an opportunity to do so.

Mr. HAYDEN. But at the time consideration was given to the Baruch plan the country was not at war.

Mr. PEPPER. No; the country was not at war at that time. That is my understanding.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BROWN. So as to keep the record straight with regard to the consideration of the Baruch plan by the Senate Committee on Banking and Currency, I wish to say that the Senator from Florida has accurately stated the situation. Mr. Baruch testified at some length before the House committee. His testimony as given before the House committee was introduced in the record of the hearings of the Committee on Banking and Currency of the Senate. That happened to occur, I will say to the Senator from Arizona [Mr. HAYDEN], after Pearl Harbor. We started our hearings on the 9th of December, the Tuesday after Pearl Harbor. I may add, however, that no serious consideration was given to the plan, because it was felt both by the great majority of Senators on the subcommittee and by those in charge of the matter uptown in the administration—Mr. Henderson and others—that we could adequately cover the situation by the enactment of the legislation substantially as it was enacted.

With the permission of the Senator from Florida, I should like to say that it seems to me the administration, the Senate—in fact, the entire Congress—have overlooked a very important provision in the price-control bill which consists of one sentence of just a few lines, which I shall read:

It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the War Production



Board, the National Labor Relations Board, the National Mediation Board, the National War Labor Board, and others heretofore or hereafter created), within the limits of their authority and jurisdiction to work toward a stabilization of prices, fair and equitable wages, and cost of production.

It is my judgment, Mr. President, that if the administrative authorities gave full force and effect to the congressional policy laid down in section 1 of the act, considering that in connection with the no-strike policy of labor, we could adequately cover this entire matter. In other words, Congress told the administrative authorities in charge of the regulation of wages and hours that it was our policy that wages should be stabilized as of the date of the enactment of the law, which was January 30, 1942. If the administrative authorities would take cognizance of section 1 of the act, as they should do, and administer it as Congress intended they should administer it, the authorities we have already set up, which are named in section 1 of the act, would have a definite statement of what the policy of Congress is—that is, that wages should be stabilized as of the date of enactment of the law.

I understand something about the Baruch plan. The only difference between what we did in the price-control bill and the Baruch plan was this: In the price-control bill we gave the authority of control over prices to the Price Administrator, and we left the authority controlling wages in the boards which have already been established for that purpose, on the general theory that it was altogether too big a job to go to the Price Administrator; but the various agencies were told to coordinate their wage stabilization with the price stabilization of Mr. Henderson. About 5 or 6 weeks ago, Mr. Henderson, very wisely called the attention of the administrative authorities to section 1 of the act and urged action under it. It is my judgment that if they would follow the congressional policy laid down in section 1 we should have adequate control of the price situation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. O'MAHONEY. Let me ask the Senator from Michigan whether there is anything in the price-control bill which in any way whatsoever undertakes to control profits?

Mr. BROWN. In the same section to which I have referred there is a direction that insofar as wages are concerned, in their relationship to the cost of production, they shall be stabilized substantially as of January 30.

Mr. O'MAHONEY. I am aware of that.

Mr. BROWN. However, I will say frankly to the Senator from Wyoming, that we did not attempt in the price-control bill to control the matter of profits, because it was our idea that that problem could be better dealt with in a tax bill. The Senator from Ohio [Mr. TAFT] and I perhaps had more to do with the make-up of this particular section than anyone else, but I will give first honors in that connection to the Senator from Ohio. We both happened

to be members of the Finance Committee. We felt that the matter of profits could best be taken care of through a tax bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. The Senator is correct. Before we go on I should like to answer the Senator from Wyoming. There is something in the price-control bill having to do with profits and production. In determining the price the Administrator shall take into consideration any increase or decrease in profits in the year ending October 1, 1941, or subsequent thereto. So there is a reference to profits. However, they are not intended to be the predominant factor in fixing prices.

Mr. O'MAHONEY. When the Price Administrator fixes prices he does so for everybody in the industry. Profits are individual, but price ceilings are universal.

Mr. TAFT. I happen to know of two industries, the semivitrified china industry and the vitreous china industry, in which he has determined what the profits were for this year, and has based his price fixing probably on the fact that profits were greater in 1941 than they were in 1940.

Mr. O'MAHONEY. The Senator refers to the over-all profit for the entire industry?

Mr. TAFT. The over-all profit for the entire industry, which is a rather limited industry, with a limited number of plants which are more or less in the same situation.

Mr. BROWN. The subject of control of profits in connection with Government contracts was not in any way covered by the price-control bill. That is the subject in which we are now particularly interested.

Mr. O'MAHONEY. Having obtained answers from the Senator from Michigan and the Senator from Ohio to the effect that in the price-control bill there is no specific control of profits as such, I ask the Senator from Florida whether in the proposal which he offers there is any attempt to control profits.

Mr. PEPPER. It is the intent of this proposal to vest that power in the Office of the Price Administrator, with the concurrence of the Chairman of the War Production Board, or his representative, and of the Chairman of the Board of Economic Warfare, or his representative. It might be more clearly stated than it is in the amendment, but it was intended that in their power to fix prices in any case or class of cases they should have the power to fix profits, and in that way would be able effectively to control that question.

Mr. O'MAHONEY. By way of illustrating the difficulties of reaching any considered conclusion in this matter, I wish to read the text of the Senator's amendment dealing with this particular problem:

The Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board—

Observe that there is a broad delegation of power from the Chairman to any representative he may choose—and the Chairman, or his representative, of the Board of Economic Warfare—

If I were inclined to make a wise-crack, I might say that that would make it possible to delegate this power to any one of numerous individuals against whom the gentleman from Texas [Representative DRES] has recently been directing his shafts.

Mr. PEPPER. If the Chairman of the Board of Economic Warfare were to abuse his privilege in that way, it would be a matter for scrutiny by Congress and the country.

Mr. O'MAHONEY. Let me proceed—may when no price level for the acquisition, or use of any goods, articles, or commodities, including rental of property, or interest on money, or credit, or compensation level for services existed on the date proclaimed by the President, fix the maximum price for the acquisition, or use of any such goods, articles, or commodities, including rental of property, or interest on money, or credit and the maximum compensation for any such services.

I am ready to acknowledge that the Senator from Florida is a very gifted, able, and eloquent Member of this body; but I think he will find great difficulty in reading into any of the language which I have just quoted from his amendment any power to control profits.

Mr. PEPPER. The Senator did not read the section under which I intended that power to exist.

Mr. O'MAHONEY. I intended to do so.

Mr. PEPPER. I am sure the Senator did. The paragraph to which I invite his attention reads as follows:

The price, or compensation, existing at the time fixed in the proclamation of the President shall, for the duration of the war or until the revocation of the Presidential proclamation by the President, become the standard maximum price for the acquisition or use of all goods, articles, or commodities, including rental of property, and rates of interest and the standard maximum level of compensation for services to which such price, or compensation, respectively, applied at such time: *Provided, however*, That the Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may, whenever it deems such action necessary to the effective prosecution of the war and in the public interest, or to avoid any undue hardship, alter any price, or rate of compensation, in any case, or class of cases.

Mr. O'MAHONEY. I submit that that is merely the escape clause of the Baruch proposal, intended to permit the price levels to be increased. I will say to the Senator that while the Appropriations Committee was considering the problem of controlling profits, I had the opportunity of reading to the subcommittee the tentative draft which was proposed by Mr. Baruch in his very notable article of several years ago; and we were disappointed to find that there was no specific reference there to profits, and so the suggestion which several members of the committee had in mind, of offering the Baruch plan as a substitute for the plans



which were under consideration, was abandoned.

Let me again call to the attention of the Senator the first paragraph of his amendment:

The President shall proclaim a day, and if necessary in his judgment, an exact time of day within the last 2 years which shall be deemed for the duration of the war to be the date on which existed the standard maximum level of prices for all goods, articles, or commodities, including rental of property, and interest on money, and the standard maximum level of compensation for all services.

Obviously that sentence contains a very controversial suggestion. It gives authority to the President to pick out any day within the past 2 years and to fix that day as the day which will control the price of any particular commodity. The fixing of prices for particular industries, for particular commodities, and for particular sections of the country would open the door wide to all sorts of abuse—not intentional abuse, but unintentional abuse. It would be utterly and completely unjust. My own feeling is that the plan to be adopted should be an over-all plan at the present time, not with authority to the President or anybody else to go back into the past and select a particular date which might be good for the industries of Florida and bad for the industries of Maine, or good for the industries of Wyoming and bad for the industries of Michigan. It is an utterly impossible suggestion, as it seems to me. However, my point now is not to discuss the merits of the Senator's proposal, because in principle I quite agree with him as to it; but I point out how perfectly impossible it is for the Senate to legislate intelligently and beneficially in such a manner.

Mr. HAYDEN. Mr. President, will the Senator yield again?

Mr. PEPPER. I yield.

Mr. HAYDEN. A moment ago the Senator from Wyoming made a statement which I think should be corrected by reading the pertinent rule of the Senate.

Mr. O'MAHONEY. I hope the Senator will correct me if I was mistaken.

Mr. HAYDEN. The proposal submitted by the Senator from Tennessee [Mr. McKellar] is a committee amendment which deals with the question of regulating the profits made under Government contracts. It deals with that very narrow question. The Senator from Wyoming implied that the amendments proposed by the Senator from Florida would be in order on an amendment of that kind; that the committee amendment, if agreed to, would open the door; and that anything could be put on.

I desire to read the pertinent Senate rule.

Mr. O'MAHONEY. Mr. President, in order that I may protect the record of my own fairly reasonable acquaintance with the rules, let me say that my point was merely that a motion to suspend the rule so as to attach a legislative rider is the same, no matter what the subject may be. Let me say that the principle of legislation on an appropriation bill is frowned upon by the rules.

Mr. HAYDEN. This is subdivision 4 of rule XVI:

No amendment which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received; nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto; \* \* \*.

I wish to say very frankly to the Senator from Florida that certainly his proposals are not germane to the provisions which the committee recommends, and that, therefore, he must depend upon obtaining a two-thirds vote of the Senate to have his amendments considered.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

Mr. DANAHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Connecticut?

Mr. PEPPER. Will the Senator from Connecticut permit me to make a parliamentary inquiry before yielding to him?

Mr. DANAHER. Certainly.

Mr. PEPPER. I make the following parliamentary inquiry: I should like to know whether the present language of the appropriation bill relative to the subject of regulation of profits—the Case amendment, as it is called, I am told—violates in itself the rule against an amendment which proposes general legislation being received to any general appropriation bill, and whether the rule will have to be waived in case that matter is considered by the Senate.

The PRESIDING OFFICER (Mr. LEE in the chair). The Chair holds that in that case the amendment is a limitation, and not legislation.

Mr. PEPPER. The Chair holds that all the language in the bill which deals with the question of profits constitutes a limitation of an appropriation, and not legislation? Is that correct?

The PRESIDING OFFICER. All the language which was put in the bill in the House is so considered.

Mr. PEPPER. Yes. I understood that an additional amendment was proposed by the Senate Committee on Appropriations to be put into the bill, and I intended to address myself to the question whether an amendment proposed by the Senate Committee on Appropriations is by way of limitation or whether it is legislation which, in order to be considered by the Senate, requires a waiver of the rule, pursuant to an appropriate notice.

The PRESIDING OFFICER. The Senator from Tennessee [Mr. McKellar] gave notice today that he would move to suspend the rule for the purpose of offering the amendment to which the Senator from Florida has just referred.

Mr. PEPPER. So a suspension of the rule will be necessary in order to enable the Senate to consider the amendments to be offered by the Senator from Tennessee on behalf of the committee, constituting legislation on an appropriation bill?

The PRESIDING OFFICER. That raises the presumption that it would be legislation.

Mr. McKellar. Mr. President, I will say that I was directed by the Com-

mittee on Appropriations to submit the amendment in that way.

Mr. DANAHER. Mr. President—

Mr. PEPPER. Mr. President, just one other comment before I conclude.

I appreciate the advice of the able Senator from Arizona [Mr. Hayden] that, in his opinion, the amendments I have offered would not be germane to the committee amendment offered by the able Senator from Tennessee [Mr. McKellar]. If I understand the rules of the Senate, however, the matter of germaneness in such cases is not passed upon by the Chair, but is passed upon by the Senate itself; and, of course, the opinion of the Senator would simply constitute his own opinion and would not necessarily be determinative of the opinion of the whole Senate.

Mr. DANAHER. Mr. President—

Mr. PEPPER. Unless the Senator wishes to ask me a question, I am about to conclude.

Mr. DANAHER. I wish later to propound a parliamentary inquiry. I can do so now if the Senator chooses to yield.

Mr. PEPPER. Very well.

Mr. DANAHER. I thank the Senator.

Mr. President, I wish to ask, as a parliamentary inquiry, if the amendments proposed by the Senator from Florida should in fact be tabled tomorrow, if it could be done without prejudicing the bill as a whole.

The PRESIDING OFFICER. Under the rules of the Senate, an amendment may be laid on the table without prejudicing the bill.

Mr. DANAHER. That would be my own view as to the way to dispose of the matter, Mr. President.

Mr. PEPPER. Mr. President, I am sure the able Senator from Connecticut will be here tomorrow to express his views, and perhaps to have an opportunity to record his vote, so that it will be a matter of permanent record as to what his opinion is on this controversial subject. I am sure there are a great many persons in the country who are interested in the opinions of all of us on these controversial subjects.

Mr. President, let me say a word in conclusion. I have done what I could to get a consideration of the whole question of profits, prices, and other matters relating to the total mobilization of the country's effort as a single subject. So far I have not succeeded. Therefore the only course I know of which is available to the individual Members of the Senate is to do what the other House did, and endeavor to attach to legislation that comes before the body subjects which the amendment makes appropriate to the measure.

I therefore tried to present these two amendments, because I think they ought to be considered in connection with any legislation on the subject of profits. I know, of course, that the subject of profits should not be dealt with on an appropriation bill; but I did not put the subject on the bill, and if the Senate is to deal with one phase of this problem tomorrow or next day, it ought to deal with all phases of it. Therefore I have offered to the Senate these amendments for the purpose of considering the whole ques-



tion, and matters relating thereto, along with the consideration of the profits amendment, if it is the intention of the committee to include that subject in the consideration of the bill.

Mr. O'MAHONEY. Mr. President, I quite agree with the Senator from Florida that the method he has adopted probably is a very effective one by which to call the attention of the country and of the Government to the subject matter of his amendments; and I am hopeful that, as a result of what he has done, immediate consideration may be given to these fundamental problems.

As I understand from this very brief acquaintance with the Senator's proposal, he is asking only that the policies which are embodied in these amendments shall be incorporated in our law for the duration of the war. There is no purpose upon the part of the Senator from Florida to enunciate a permanent policy with respect to any of these matters. I think I have correctly understood him; and the Senator nods in acquiescence.

#### ECONOMIC TREATIES BY PRIVATE GROUPS

Mr. President, there is a permanent phase to this matter as well as a temporary phase. It has been illustrated by numerous events during the past several weeks. One of the most striking of all these, I think, was the testimony given before the Truman committee by representatives of the parent Standard Oil Co., known as the Standard Oil Co. of New Jersey, with respect to international cartels controlling patents.

There has recently been called to my attention an advertisement which appeared in the Los Angeles Times on March 27, 1942; and I ask that it may be read from the desk by the clerk.

The PRESIDING OFFICER. Without objection, the advertisement will be read. The legislative clerk read as follows:

The Standard Oil Co. of California is in no way whatsoever involved in the assertions of the Department of Justice, concerning relationship between the Standard Oil Co. of New Jersey and Axis countries. This company is not in any way interested in the patents for the manufacture of synthetic rubber under discussion.

#### STANDARD OIL CO. OF CALIFORNIA.

MARCH 27, 1942.

Mr. O'MAHONEY. I think it is very significant that the Standard Oil Co. of California should find itself called upon or, perhaps, I should say that the Standard Oil Co. of California should find it desirable, in a newspaper advertisement to disavow any connection with the cartel arrangement which was made in 1929 by the parent New Jersey corporation.

This incident suggests to my mind the desirability of entering in the CONGRESSIONAL RECORD the text of the agreement which was reached by the Standard Oil Co. of New Jersey with I. G. Farben, the German Dye Trust. It should be borne in mind that I. G. Farben was an organization created in Germany shortly after the Versailles Treaty was agreed upon, and its purpose was to reestablish monopolistic control of the dye industry by industrial leaders of Germany. The purpose went much further than that; the purpose was not only to establish worldwide control of the dye industry; the

purpose also was to destroy the German Republic. The German imperialists succeeded in that purpose, and some of the leaders of I. G. Farben were the very men who financed Herr Hitler in his rise to power.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Tennessee.

Mr. McKELLAR. I ask for information whether it was found by the Truman committee that this contract or cartel was still in existence?

Mr. O'MAHONEY. The Truman committee, as I understand, has made no finding. I desire to be utterly fair and utterly just. It should be pointed out that the officers of the Standard Oil Co. of New Jersey agreed with the Department of Justice that a consent decree abolishing this particular cartel should be entered.

Mr. McKELLAR. When was that?

Mr. O'MAHONEY. I think I have a copy of the judgment on my desk, but, at any rate, the date of the decree was within the past 30 days; I do not know the exact date.

Mr. President, as I had occasion to say when the Truman committee was good enough to permit me to intervene in the hearing last week and address a few questions to Mr. Farish, the president of the Standard Oil Co., and to Mr. Howard, the vice president, I have no doubt whatsoever of the patriotism of these gentlemen; I make no charge whatever against their loyalty to America. I believe that their intention is to do everything in their power to aid the United States to win the war. As a matter of fact, I have reason to know, from personal conversations which I had several years ago with Mr. Farish, that he gave his full personal approval to the foreign policy of this Government. That, however, is altogether aside from the question.

What we are dealing with here is a fundamental effect upon the peace of the world, the prosperity of mankind, of international cartel agreements.

They amount, Mr. President, to economic treaties which are put into effect by private groups without any review whatsoever on behalf of all the people of the United States. When the founders of this Government drafted the Constitution of the United States they were so jealous of international agreements that they provided that the President could negotiate treaties but that the treaties could not become effective until approved by the Senate of the United States by a two-thirds vote. Nevertheless, the fact stares us in the face that numerous great corporate entities existing in this country have through many years been engaged in making international economic treaties dividing world trade and fixing prices. Those treaties are written and consummated not only without any approval by any branch of the Government of the United States but without the approval even of the stockholders of the corporations which are bound by the agreements.

I said a moment ago that I thought there ought to be incorporated in the RECORD the full text of the cartel agree-

ment which was entered into by the Standard Oil Co. of New Jersey with I. G. Farben, because, Mr. President, it tells the story in simple, straightforward language of the difficulty, of the tragedy, indeed, in which the world is involved. Governments, social organizations of all kinds, are the product of the life of men; the economic demands which are made upon individual men and women for the maintenance of their own lives are the circumstances which enter into the creation of all types of organizations, and particularly into organizations both of business and of government.

#### INDIVIDUAL RIGHTS SUPREME

When the Declaration of Independence was written, Mr. President, it was drafted by men who understood that the purpose of government was to enable individual men to protect those great gifts of providence—life, liberty, and the pursuit of happiness. There can be no doubt as to what this Government of ours was established to protect. The Declaration of Independence is an instrument of government which is honored by word, but frequently, I fear, is not well understood. We say we support the Declaration of Independence, but do we know what it declares? Let me read it, Mr. President, or at least a portion of it:

We hold these truths to be self-evident, that all men are created equal.

Not some men; all of them; the Filipinos, the Malaysians, the Burmese, the Hindu, the white man, the Negro, the American Indian, every man, "all men are created equal."

That they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness.

Observe the next phrase:

That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it.

The whole reason that this world is today involved in war and that the people of this country, the Members of this Congress, and the Executive of this country are wondering what we shall do to win the war, and how it should be fought, is that the world-wide arrangements which have been made, affecting the economic existence of all peoples, are such that they have closed the door of economic opportunity. Because economic opportunity has been restricted, governments are tottering.

Mr. McKELLAR. Mr. President, I am inclined to think the Senator is correct. But is not this the remedy? When there is a contract in restraint of trade made between citizens of our country and citizens of another country for the purpose of confining the business to themselves, and leaving others out, are not the contractors punishable under the anti-trust laws which are now on our books?

Mr. O'MAHONEY. Oh, yes, Mr. President.

#### VIOLATIONS OF FUNDAMENTAL LAW

Mr. McKELLAR. Cannot such agreements be abolished, be set aside, just as



the particular agreement to which the Senator is referring was set aside by the court, by a consent decree of court? Could not such agreements as the Senator has mentioned be set aside in the same way?

Mr. O'MAHONEY. Yes; with great difficulty. There is no specific law requiring the registration of these cartel agreements, and one of my reasons for occupying the floor at this moment is that I intend in a few moments to present a bill which will undertake to make that necessary. It is true, as the Senator from Tennessee has very well said, that agreements of this kind are in violation of the fundamental law of our people that combinations in restraint of trade are unlawful per se. They are condemned by the common law, as the Senator, who is an experienced lawyer, well knows; but the difficulty has been in enforcing that condemnation.

Mr. McKELLAR. They are inhibited by specific statute. Just as the cartel arrangement of which the Senator has just spoken, signed by the Standard Oil and by I. G. Farben, of Germany, was restrained, all contracts made with citizens or aliens in restraint of trade come under the ban of what is known as the Sherman anti-trust law, passed many years ago.

Mr. O'MAHONEY. The Sherman anti-trust law has been more honored in the breach than in the observance.

Mr. McKELLAR. I agree; and I say to the Senator that I think his proposed bill to give further jurisdiction to our courts to deal with the matters concerning which he is speaking is very timely, and I have no doubt it will pass if the Senator pushes it.

Mr. O'MAHONEY. Let me read the agreement which was entered into by I. G. Farbenindustrie Aktiengesellschaft and Standard Oil Co. of New Jersey on the 9th day of November 1929:

I. G. Farbenindustrie Aktiengesellschaft, a German corporation, of Frankfurt-am-Main, Germany, hereinafter referred to as "I. G." and

Standard Oil Co., a corporation incorporated under the laws of the State of New Jersey, hereinafter referred to as "the company."

Whereas I. G. and the Company are two of the four parties named in the agreement of even date herewith, a copy of which is annexed hereto, and the terms of which require close cooperation between I. G. and the Company along technical lines; and

Whereas the Company recognizes the preferred position of I. G. in the industries known as chemical, and I. G. recognizes the preferred position of the Company in the industries known as oil and natural gas; and

Whereas neither party has any plan or policy of so far expanding its existing business in the direction of the other party's industry as to become a serious competitor of that other party, but each recognizes that certain overlapping activities will exist—

Mr. President, let me read that paragraph of this formal agreement once more. Its importance cannot be over-emphasized.

Whereas neither party has any plan or policy of so far expanding its existing business in the direction of the other party's industry as to become a serious competitor

of that other party, but each recognizes that certain overlapping activities will exist:

Now, therefore, with a view to preventing such overlap from becoming a source of mutual irritation and unwillingness to cooperate on technical lines as is required under said four-party agreement, the parties hereto have agreed that their policies shall be as follows:

ARTICLE 1. New chemical developments by the company.

Now, Mr. President, we are dealing with new chemical developments by the American Co., by the American partner to this international cartel.

If the company shall desire to initiate anywhere in the world a new chemical development not closely related to its then business, it will offer to I. G. control of such new enterprise (including the patent rights thereto) on fair and reasonable terms.

#### CONTROL OFFERED TO GERMAN MONOPOLY

Can it be imagined, Mr. President, that any organization created in America by operation of law would be willing to bind itself to offer control to a foreign group?

Bear in mind what I say, that the organization to which this control was offered was the very organization which destroyed the German Republic, destroyed democracy in Germany, and brought about the establishment of the present unholy dictatorship.

Mr. BONE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BONE. I should like to have the Senator from Wyoming enter in the Record as a part of his remarks the last effective binding date of this contract.

Mr. O'MAHONEY. The date of the consent decree, by which, let it be remembered, the officers of Standard agreed without a suit to abandon its obligation.

Mr. BONE. On what date was the decree entered?

Mr. O'MAHONEY. Within the past 30 days; I do not recall the exact date. It was the consent decree which was brought about by the Department of Justice, under the activity of Thurman Arnold, Assistant Attorney General in charge of antitrust proceedings.

Mr. BROWN. Mr. President—

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Wyoming yield to the Senator from Michigan?

Mr. O'MAHONEY. I yield.

Mr. BROWN. The Senator does not say in his statement whether the control of patents by the Farben Co. was confined to Germany, or to Germany and her satellites, or whether the control existed with respect to patent rights all over the world.

Mr. O'MAHONEY. I was about to come to that. The understanding was, in terms and in effect, a division of the world into two groups. The Standard Oil Co. of New Jersey was to have free hand with respect to oil, and I. G. Farben was to have free hand with respect to chemicals. That is why the matter has become of such supreme importance at this time, because the synthetic-rubber process is a chemical process, control of which, under this agreement, was given to Germany.

Mr. BONE. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. BONE. I do not wish to bother the Senator from Wyoming if he desires not to be interrupted. I wonder if he objects to interruptions.

Mr. O'MAHONEY. They do not bother me at all.

Mr. BONE. Over the years the Senator and I have indulged in colloquy on the floor of the Senate about these cartel arrangements, and I think the Senator understands my attitude of mind toward them. They now, and will always, I think, present to students of history a very peculiar picture. Most students of history had come to believe that the feudal system had been shot to death in the French Revolution, but now we see feudalism in a new dress being engrafted on our capitalist society. I think it is one of the most astounding manifestations of modern history to see a feudalistic control. The baron on the hill, with his castle, disappeared, but the baron behind the mahogany desk now sits with another baron or group of barons, and, by virtue of economic control, buttressed by laws which we pass, they parcel out the whole world for exploitation.

One group takes one segment of the world, another group another segment, while we sit here thinking that we exercise power, whereas the real power—the economic power—is being exercised without limit by private individuals, through sanction of law.

I think there is one effective answer to this sort of control. I know we will probably never get around to it because we are like a small boy who has his finger in a doorjamb and is closing the door on it, the while shrieking his agony so that everyone may hear him. If it is suggested to him that he merely open the door and take his hand out, he thinks that is not the orthodox way to do it. He prefers to suffer rather than to save his finger.

These gentlemen can have all the cartel controls they please, in aluminum or anything else, but I suggest, though I realize the suggestion may perhaps cause consternation on the part of some of my brethren, that one effective answer would be for Uncle Sam to build some aluminum factories and manufacture aluminum. Congress could control the patents and the cartel would not be worth a snap of the fingers. As a lawyer, I know that to be so, and I am sure the Senator from Wyoming knows it. I realize that it is asking too much to suggest that we manufacture aluminum for our own Government. That would not be right. It might offend high heaven if we undertook such an atrocious thing as that.

#### ARBITRARY POLITICAL CONTROL FOLLOWS

Mr. O'MAHONEY. I am glad the Senator has made these remarks because he points up the argument I am making. The existence of arbitrary private control over the economic lives of the people leads directly to arbitrary political control. It was precisely because I. G. Farben was controlling the economic destiny of the people of Germany and of Europe that finally the political control passed



into the hands of the dictators. It is just as inevitable as the following of night after day. If we surrender economic control to a small group, we cannot quarrel if political control in the hands of a small group immediately follows.

Mr. President, what I am saying now is directed to the leaders of corporate business in the United States.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BROWN. I should not want the Senator to leave the implication that there are not at least some of us in the Senate who hope that we shall have some free enterprise in our economic relationships with other countries after the war. I think that what the Senator from Wyoming is pointing out is that the Standard Oil Co. and the I. G. Farben Co. entered into an arrangement which would be illegal under the Sherman antitrust law or the common law. In reality, the Sherman antitrust law is merely a statutory expression.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. BROWN. I presume almost every great enterprise in my great State of Michigan—Parke, Davis & Co. in drugs, General Motors Co., the Ford Motor Co., and other great enterprises—had branches throughout the world. As the Senator knows, the Oppeln plant in Germany was owned by the General Motors Corporation when Mr. Hitler took it over in 1939, and he sent to Mr. Knudsen, through his representatives there, a little piece of paper saying, "We have taken over the Oppeln plant." Nothing was said as to whether anything would ever be paid for it; but it was taken over. I do not think we ought to leave the implication that it was unpatriotic for these great industrial enterprises to have their branch establishments in many countries of the world.

Mr. O'MAHONEY. Mr. President, the Senator does not think that I gave such an implication, does he?

Mr. BROWN. No; but I fear that such an inference might be drawn from some of the things the Senator has said. The Senator is talking about political freedom and economic freedom. I desire to emphasize that I do not want anything that is here said to imply that all of us, or at least the Senator from Michigan, will approve of a situation after the great scourge of war which now afflicts us shall have passed which will prevent us from giving to the 300,000,000 people of India the benefits of America's economic progress, from giving to them the benefits of mass production, of the patent rights which we have established, which enable us to make goods and merchandise beneficial to those people. In other words, I am hopeful that when the time comes we shall have a little less of narrow nationalism and a little wider participation on the part of all peoples, particularly in the Far East, in the benefits of American mass production.

Mr. O'MAHONEY. Mr. President, the Senator is now talking about a subject that is altogether different from that which I am discussing. I quite agree

with him. I have no thought whatsoever that there should be any such thing as a narrow nationalism. What I am inviting the attention of the Senator from Michigan to is that in the past great organizations in this country and in Germany have entered into economic treaties without the knowledge of their government, which have resulted not only in the exploitation of the peoples of foreign countries, but have resulted in the exploitation of our own peoples.

Mr. BROWN. And which were illegal under the laws of this country.

Mr. O'MAHONEY. And which were illegal. That is correct. As I see it, there is only one way effectively to prevent that sort of thing, which is to require that when a corporation of the United States undertakes to enter into an agreement of this kind with a corporation of some foreign country, it shall at least file notice of its intention with the Government of the United States. The representatives of the people of this country ought to be apprised of the economic adventures of our private organizations throughout the world, otherwise it will be possible to discover that only by the expenditure of large sums of money and by difficult and tortuous investigations.

Mr. President, I have no desire to build up an all-powerful and arbitrary government. I wish to see private enterprise protected and preserved and maintained. I do not wish to see corporations as such brought under a regimentary policy by the Government; but I am convinced, after years of study, that there is only one way to preserve free enterprise, and that is by making certain that all private groups of this kind shall observe certain definite standards of conduct and of policy to be laid down by the Government of the United States. I would set them free from regimentation; I would not clothe any Government board or commission with the power to operate business; but if we are to avoid that, Mr. President, there is only one way to do it, and that is by having the Congress of the United States lay down the standards which shall guide the activity of these organizations. Mr. President, it will not be dreamed for a moment that the Standard Oil Co. could have entered into an agreement not to become a serious competitor of I. G. Farben if the people of the United States knew what it was doing at the time it was doing it.

Mr. BONE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BONE. It seems to me that in merely trying to curb men's greed by resorting to some forms of publicity such as have been suggested by the Senator from Wyoming, we run into another angle of the problem which makes the publicity feature seem rather futile at times. If a private corporation has grown so great that it is, first, virtually a monopoly because of its size, and, second, it exercises monopolistic control because of control of basic patents, there is not any effective way of controlling its prices.

Let us take the field of aluminum as an example. The aluminum combine in this country is not even subjected to that form of regulation which is applied to power companies, for instance. I do not stand here and admit for one moment that that form of regulation is effective. I think it is a fake and a fraud, and it has been proven so times without number. The public has been mercilessly rooked even under this so-called regulation, when one sees the utility companies go into politics and become so potent in American life as to become the regulators of their own regulators.

But we do not have that form of regulation for certain kinds of private monopoly. They do not mind some form of publicity if they can control market prices. That is why I suggest to the Senator that if we reach a point where businessmen lay aside all those restraints which ought to be self-imposed by business which does not want to have socialistic practices put into operation in this country—and I often wonder whether these men flirt with that sort of thing—if they are not willing to impose upon themselves some reasonable and rational restraints in the matter of prices charged the public, what right have they to expect that the Government will not compete with them in time?

The Senator from Wyoming [Mr. O'MAHONEY] and I have lived long enough to know that the antitrust statute has been virtually a dead letter on the books. A few venturesome souls such as Thurman Arnold have occasionally invoked the thunderbolts of the law, but he has been roasted all over the country for doing so, and his name has been made obnoxious in many quarters because he undertook to invoke the antitrust laws of the country. After a while that spasm of virtue will die down and the public will forget about it, and we will go back to the old abuses.

I say to the Senator from Wyoming, who may not agree with me, that if we had one Government aluminum plant which could be a yardstick for aluminum, such as a gigantic power plant can be a yardstick for power in one section of the country, all the boys in the game would be good boys. The Government then would have something in the nature of a yardstick by which it could assure reasonable prices. But if we are simply going to rely on prosecutions and publicity these slick boys are going to get around them. The Senator and I have lived long enough to know how they get around them. Look at the discussion which went on in this body for 3 or 4 years about what the Axis was doing long before we got into the war. Yet we were doing business with them right along. That is an example of how careless we are in our operations.

#### THE CARTEL AGREEMENT

Mr. O'MAHONEY. I was reading article I of the charter of the international I. G. Farben-Standard cartel. Let me begin again, so that Senators who have been diverted by the colloquy may pick up the thread:



ARTICLE I. New chemical developments by the company.

#### Meaning the Standard Oil Co.

If the company shall desire to initiate anywhere in the world a new chemical development not closely related to its then business, it will offer to I. G. control of such new enterprise (including the patent rights thereto) on fair and reasonable terms.

Examples: (a) A development not related at all is the production of artificial silk by present methods.

(b) A development related but not closely related is the production of nonhydrocarbon solvents from natural gas.

In framing this agreement, the drafters were not content with the plain statement of their purpose in the words of the article, but they gave examples of the sort of process which the company would have to give away, and the sort of process which was so related to the oil industry that it could keep it.

ART. II. New chemical developments by I. G.:

1. If I. G. shall desire to initiate outside of Germany—

That is, anywhere in the world outside Germany—

(as "Germany" is defined in art. XIV of said four-party agreement) a new chemical development which cannot be advantageously carried on except as a department of an oil or natural-gas business, it will offer control thereof (including the patent rights thereto) to the company on fair and reasonable terms.

That was a binding obligation upon I. G. to give control to the Standard Oil Co. in cases of the kind mentioned in that paragraph.

Examples: (a) The production of solvents, whether hydrocarbon or nonhydrocarbon, from olefines produced in refining oils.

(b) The production of an antiknock compound to the extent that the name shall be sold to or through oil companies.

2. If I. G. shall desire to initiate outside of Germany (as "Germany" is defined in art. XIV of said four-party agreement), a new chemical development not covered by subparagraph 1 of this article, but related to the then business of the company, as, for example, by use of natural gas or petroleum products, I. G. will offer to the company a substantial but not controlling participation.

Examples: (a) The production of fixed nitrogen from natural gas.

(b) The production of acetylene from natural or refinery gas.

#### Article III. Duration of this agreement.

This agreement shall be binding upon and inure to the benefit of the subsidiaries of the respective parties hereto as provided in article XIII of said four-party agreement, to the same extent as if said article were incorporated in this agreement, it being understood that no subsidiary corporation or the character referred to in paragraph B of said article 13 shall have the privilege of ratifying either the four-party agreement or this agreement without also ratifying the other.

In witness whereof the parties hereto have set their hands and seals on the day and year first above mentioned.

I. G. FARBENINDUSTRIE  
AKTIENGESellschaft.

By (signed) SCHMITZ v. KNIERIEM.

That, Mr. President, is the same Mr. Hermann Schmitz who was one of the backers of the Hitler movement, and who was one of the group which conspired in Germany for the destruction of the German Republic.

The agreement is signed on behalf of Standard Oil Co. of New Jersey by W. C. Teagle.

The parties to this cartel charter were very careful to make certain that it should be maintained in principle, no matter what governments should do. As a consequence, a so-called coordination agreement was embodied in a letter signed by Mr. Teagle, who was then president of Standard. From this letter I quote the following significant paragraph:

In the event the performance of these agreements or of any material provisions thereof by either party should be hereafter restrained or prevented by operation of any existing or future law, or the beneficial interest of either party be alienated to a substantial degree by operation of law or governmental authority, the parties should enter into new negotiations in the spirit of the present agreements and endeavor to adapt their relations to the changed conditions which have so arisen.

It will be observed that this was an undertaking to the effect that if any material provision of the private economic treaty between Farben and Standard should thereafter be "restrained or prevented" by law or governmental authority, the parties nevertheless should enter into new negotiations "in the spirit of the present agreements."

Mr. President, without taking all the time that would be necessary to do so, it is important only that I should mention that the agreement entered into in 1929 was reasserted in 1939. It was reasserted by what was known as the Hague compact, the purpose of which was to make certain that if anything transpired which should upset this agreement, it could thereafter be renegotiated and reestablished.

The 1939 agreement made at The Hague contained these paragraphs, outlining the obligation of the Standard Oil Co.:

\* \* \* If it shall appear from \* \* \* reports that the division of territory of exclusive ownership between the parties as herein effected have not been equitable in its financial results as judged by the agreement of September 30, 1930 (which was based on the 1929 agreement), then the parties shall correct the inequity in such manner as may seem most fair and advantageous at the time.

Pursuant to the foregoing, I. G., the Standard Development Co., and Jasco shall make or cause to be made any formal assignments or execute any further instruments necessary to put into effect the present readjustment and any required future readjustment of the rights and interests of the parties to the agreement of September 30, 1930.

That agreement was entered into in 1939, in contemplation of the war. Its purpose was, so far as possible, to retain the cartel arrangement so that when the war was over the division of territory and the division of profits might be reasserted. This was the purpose which actuated the partners as late as February 20, 1941, when, according to the statement presented to the Truman committee by Mr. Thurman Arnold, a confidential letter was written to Mr. Howard, vice president of Standard Oil Co. by one of his staff. The letter reads as follows:

DEAR FRANK: As intimated to you briefly the other day, Dr. Ringer came to Paris to see me before I left the end of January—

Dr. Ringer, of course, was a representative of I. G.—

and asked me to give you the following message in regard to cable which he had received, I believe, from your good self:

"Jasco cable will be difficult but one underlying point is that Jasco contract has not been wiped out as agreed; whatever done the final financial outcome original intention of old Jasco agreement should govern."

Thereby indicating that as late as February 1941 it was still the purpose of the partners to this world cartel agreement to maintain the arrangement which they had made.

#### AGREEMENT NOW TERMINATED

Mr. President, it is only proper to say that when Mr. Farish, the president of Standard, and Mr. Howard, vice president, were on the stand before the Truman committee, the quotations which I have now cited to the Senate were called to their attention and they were asked whether, in their opinion, the consent decree was a Government act which could be set aside by them for their private purposes after the war. Mr. Howard, with the approval of Mr. Farish, agreed, in response to the question which was directed to them, that the consent decree has put an end to that cartel agreement.

Mr. HILL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. HILL. Does the Senator understand the consent decree virtually to mean an admission on the part of the Standard Oil Co. of the charges alleged in the bill of complaint? It practically amounts to that, does it not?

Mr. O'MAHONEY. There can be no other conclusion.

Mr. HILL. There can be no other conclusion except that it is an admission.

Mr. O'MAHONEY. That is true.

Mr. HILL. What happened in this case was that the Standard Oil Co. practically made what we would call in a criminal case an admission of guilt, threw itself on the mercy of the court, and the court proceeded to hand down a finding. Is not that what it amounted to?

Mr. O'MAHONEY. The Senator is quite right; but, Mr. President, it would be unjust and unfair to assume that the Standard Oil Co. of New Jersey is the only organization which has been engaged in international agreements of this kind. It was brought out during the Truman committee hearing that Procter & Gamble have an international agreement with I. G. Farben with respect to synthetic fats. It has been brought out and referred to upon this floor that General Electric had an agreement with Krupp, the munitions manufacturers of Germany, with respect to certain products. The hearings of the Temporary National Economic Committee developed much testimony on world cartels. The hearing is part 25 of the T. N. E. C. hearings.

Mr. President, I desire to make it as clear as possible that, in my judgment, this is a more or less natural development of the expansion of trade; and I cite the instances not for the purpose of casting



any reflection upon the patriotism of the men who negotiated this agreement but for the purpose of calling attention to the essential need of hereafter establishing a formula which will prevent the creation of international cartels, which stifle economic opportunity.

#### NATIONAL STANDARDS NECESSARY

Mr. President, there never has been a leader of political or economic thought in America who has not agreed that the public, in self-protection, should establish some controls and some direction over the activities of organizations of this kind. It is not only in the world-cartel field but in domestic fields that the agreements and combinations of private groups without any public supervision in the way of standards operate to the disadvantage of the public. Labor organizations and farm organizations, as well as industrial organizations, come into existence, follow policies and adopt agreements which intimately affect the lives of millions of persons who have no way under the sun of controlling or shaping or directing those activities. Over and over again, Mr. President, I have called attention to the fact that since the creation of this Government of ours, and the admission by the ratification of the Constitution of the Original States, no new State has ever entered the Union until its charter was approved on behalf of all the people by the Congress of the United States. Go into each State and you will find that no city is set up and the people of that city permitted to govern themselves unless in accordance with the standards laid down by the State legislature in the municipal corporation law of each State.

As long ago as 1911 Senator John Sharp Williams, representing the great State of Mississippi, introduced upon this floor a bill to bring corporations under some sort of Federal supervision by way of licensing. It was not his purpose to regiment the corporations. His purpose was only to provide that their organization should be in accordance with the standards and with the policy laid down in the interests of all the people.

#### THE WICKERSHAM BILL

During the administration of William Howard Taft there was introduced in this body by a predecessor of mine from the State of Wyoming, the Honorable Clarence D. Clark, who at that time was chairman of the Committee on the Judiciary, a measure setting up standards for national corporations. The late Senator Borah and I on numerous occasions presented to this body bills intended to provide this sort of public direction, again I say not in the sense of regimentation but in the sense that the organizations, the groups created by individual initiative to affect the economic welfare of all the people should receive their authority from the only body which can speak for all the people, namely, the Congress of the United States.

Mr. HILL. Mr. President, if the Senator will yield at that point—

Mr. O'MAHONEY. I yield to the Senator from Alabama.

Mr. HILL. I desire to say that the Senator has, in my opinion, rendered a very distinguished service in this matter.

As chairman of the Temporary National Economic Committee, and since in committees and on this floor, he has brought to the attention of the Senate, the Congress, and the public many facts which constitute a very real contribution to this subject. I know how the Senator has labored in this matter; and I, for one, want to thank him and to wish more power to him in his efforts.

Mr. O'MAHONEY. Mr. President, I thank the Senator. He is very kind in his reference to the humble efforts I have been making. I can speak frankly about this matter because the idea is not mine. It did not spring from my mind. It is a suggestion as old as the system under which we live.

No corporation ever came into existence without the authority of the people. We have not had a national corporation law solely because the Congress of the United States has desired to retain that power for the States. The progress of invention has been such, such great advance has been made in technological matters, that it is no longer possible for the States to protect their own people with respect to matters of this kind. This became apparent more than 50 years ago when the first Interstate Commerce Act was passed. It was passed because the national railroads had become so great and powerful that the separate States could not regulate them in the public interest; and so we began to build up in Washington the bureaucracy, and the Interstate Commerce Commission was created. There has scarcely been a 5-year period since, whether under the Democrats or under the Republicans, in which we have not seen the Federal Government expand; and it has been expanding in the direction of discretionary control because we have not been willing to set up by law standards for corporate control.

#### NATIONAL CHARTERS FOR NATIONAL CORPORATIONS

So, Mr. President, I am now going to introduce another form of the bill which has been before the Senate for more than 30 years, in one form or another, sponsored by men of great ability and great learning. The first bill, as I say, was drafted by Senator John Sharp Williams. The second bill of which I have knowledge was drafted by George Wickersham, Attorney General in the administration of William Howard Taft. Another bill was drafted by the late Senator Borah. With some assistance, I myself drafted one. A little later Senator Borah and I collaborated and introduced a bill; and now, Mr. President, I introduce a new Federal incorporation bill, and ask that it may be referred to the Committee on the Judiciary.

The first section of the bill is the title section.

The second section deals with definitions.

The third section requires that every corporation engaged in commerce, every trade association, and every labor organization engaged in commerce, or which represents or is composed of any person the cessation of whose work would affect commerce, shall obtain from the Commission a certificate of statutory

compliance. The purpose is not to do away with State charters, but merely to set up standards which, in the national field, shall be followed by these organizations.

Section 4 provides for the issuance of a certificate of compliance to any corporation the articles of incorporation or association of which, in addition to conforming to the requirements of the State of incorporation, shall conform to the following requirements:

A. Prohibit that corporation from having as a director any person who is (1) a director of, employed by, or has any financial interest in, any competing corporation; or (2) a director of, employed by, or has any financial interest in any corporation which has business with such corporation.

B. Provides that each director of such corporation shall have an actual and bona fide financial interest in such corporation.

I shall not attempt to read each of these sections, Mr. President. I ask unanimous consent that the bill may be set forth in full in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. O'MAHONEY. I wish, however, to call attention to two of the provisions dealing with the subject of cartels. The first of these, which is subparagraph (E) of section 4, which reads:

E. Provides that a copy of any general plan or program with any foreign corporation or foreign national, directly or indirectly, and with any corporation or person controlled by any foreign corporation or national, to effect the exchange or transfer of property, franchises, or other rights, including patents or licenses, whether through purchase, assignment, lease, or sale or otherwise, shall be filed with the Department of Justice of the United States, and shall be completely disclosed to each stockholder of record prior to the time that such general plan or program shall become legally effective.

F. Provides that a copy of every contract, agreement, or arrangement and any purchase, assignment, lease, or sale of property, franchises or other rights, including patents and licenses, with, to, or from any foreign corporation or foreign national, directly or indirectly, or with, to, or from any corporation or persons controlled by a foreign corporation or a foreign national, shall be filed with the Department of Justice of the United States at least 30 days after such contract, agreement, arrangement, purchase, assignment, lease, or sale has been entered into or made.

Mr. President, I think it is obvious that the effect of those provisions would merely mean public disclosure of facts of the most intimate importance to all the people of the United States.

Section 5 deals with the statutory compliance by trade associations.

Section 6 deals with a statutory compliance by labor organizations. This section provides that the charter of such labor organizations dealing in interstate commerce shall have the following requirements:

(a) Election of officers shall be held at least once each year;

(b) Ballots shall permit voters to vote for any person nominated as a candidate or for any other person. Any member of the organization shall be permitted to observe the collection and counting of ballots.



(c) There shall be a detailed accounting by independent accountants of the funds, assets and liabilities, expenditures and receipts of the organization, not less than once every 2 years. A report of such accounting shall be made public, and a copy thereof filed with the Commission.

(d) No initiation fee for any member shall exceed \$10.

Section 7 provides penalties for the act as a whole.

Section 8 deals with the jurisdiction of the courts.

Sections 9 and 10 are formal provisions.

#### THE PUBLIC INTEREST PARAMOUNT

Mr. President, I wish to say that a bill of this kind is not hostile to any such organization, whether it be an organization of capital or of labor. A bill of this kind is essential in the public interest, to establish public standards which shall guide all these organizations.

The people of the United States are not very much concerned with what transpires in the legislature of a particular State because such matters ordinarily affect only the people of the State. The laws passed by the State of Massachusetts or the State of Indiana or the State of Kentucky or the State of Vermont seldom have any national significance because they are essentially local; but when a great corporation, such as the Standard Oil Co. of New Jersey, enters into an international cartel agreement it enters into an agreement which affects the intimate existence of every citizen of this country, and of many other countries, too. Likewise, when a great labor organization such as the United Mine Workers of America, the C. I. O., or the A. F. of L., adopts policies and programs it frequently affects the welfare of the whole people.

As I say, it is no attack upon any of these organizations to say that the standards ought to be laid down by the representatives of all the people of the United States; and the sooner, Mr. President, we recognize the fact that such standards should be formulated and that the public has an interest in them, the sooner we shall escape from the evils of pressure groups and group government.

The war which is now going on is a war which has resulted from pressure groups. What happened in Germany, what happened in Russia, what happened in Italy was that the class conflict became so acute that in each instance a particular class took charge of the Government, to the detriment of every member of every other class.

If we are to preserve democracy, if we are to preserve the essentials of individual liberty, if we are to preserve the Government of the United States as a government of all the people, then there is only one way to do it, and that is to take action of this kind, which will prevent the emergence of a particular class with sufficient power, either by way of money or by way of numbers, to take control of the government of all of us.

Mr. President, I ask that the bill I have introduced be referred to the Committee on the Judiciary. I think I have already obtained unanimous consent that it may

be printed in full in the RECORD at this point.

There being no objection, the bill (S. 2438) providing for the issuance of certificates of statutory compliance with certain national standards to certain corporations, trade associations, and labor organizations engaged in or affecting commerce, was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

#### [Exhibit 1]

*Be it enacted, etc.,*

SECTION 1. This act may be cited as the Federal Charter Compliance Act of 1941.

SEC. 2. Definitions: As used in this act (a) "person" means any individual, partnership, association, corporation, business trust, legal representative, or group of persons.

(b) "Commerce" means commerce, trade, traffic, transportation, or communication with foreign nations or among the several States or from any State to any place outside thereof or in the District of Columbia.

(c) "Affecting commerce" means in commerce or burdening or obstructing commerce or the free flow of commerce.

(d) "State" means any State of the United States, or the District of Columbia, or any territory or possession of the United States.

(e) "Corporation" shall include any body corporate, business trust, joint stock company, limited partnership, or syndicate, and shall include related corporations.

(f) A corporation shall be deemed to be engaged in commerce if the corporation itself or any related corporation is engaged in commerce.

(g) "Trade association" shall mean any association, corporated or unincorporated, any of the members of which engage in commerce, which gathers information from its members concerning trade practices or concerning the individual business of its members or which advises its members as to trade practices, or the future conduct of business.

(h) A related corporation is a corporation which is a subsidiary or affiliate of, or which directly or indirectly controls, or is controlled by, or is under direct or indirect common control with, another corporation. Two corporations shall be deemed to be related if — percent of the stock of either such corporation is owned by the other or by any related corporation.

(i) The term "labor organization" means any organization, of any kind, or any agency or employee representation committee or plan, including separately each central or national organization and each local or branch or lodge whether or not affiliated with such an organization, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rate of pay, hours of employment, or conditions of work.

(j) The charter of a corporation, trade association, or labor organization shall mean the charter, articles of incorporation, certificate of incorporation, constitution, agreement, or other document or documents setting forth the basic structure of the corporation or organization and the fundamental rules under which it operates.

(k) "Commission" shall mean the — Commission.

SEC. 3. Certificate of Statutory Compliance:

(a) On and after 1 year from the date of approval of this act, every corporation engaged in commerce, every trade association, and every labor organization engaged in commerce, or which represents or is composed of any persons the cessation of whose work would affect commerce shall obtain from the Commission a certificate a statutory compliance.

(b) An applicant for a certificate of statutory compliance shall file with the Commission a certified copy of its charter. If the charter conforms to the requirements prescribed in sections 4, 5, or 6 of this act, the Commission shall issue a certificate of statutory compliance.

(c) A certificate of statutory compliance shall be given if the charter filed with the Commission complies with the requirements of this statute. Any applicant to whom a certificate of statutory compliance is denied may, within 60 days after such denial, file a petition to compel the Commission to issue it a certificate of statutory compliance in any district court of the United States in which the applicant has an office, does business, or in which any of the members of a labor organization are employed, or in the District Court of the United States for the District of Columbia, and if the district court determine that the applicant's charter complies with the provisions of this act, it shall order the Commission to issue a certificate of statutory compliance. Proceedings filed pursuant to this paragraph shall be summary in form. The charter filed by the applicant shall in each instance be attached to the petition. Such proceedings shall be set for hearing at the earliest possible time. Appeals from the decision of the District Court may be taken as in ordinary civil actions.

SEC. 4. The Commission shall issue a certificate of compliance to any corporation, the articles of incorporation or association of which, in addition to conforming to the requirements of the State of incorporation, shall conform to the following requirements:

A. Prohibits that corporation from having as a director any person who is (1) director of, employed by, or has any financial interest in any competing corporation; or (2) a director of, employed by, or has any financial interest in any corporation which has business with such corporation;

B. Provides that each director of such corporation shall have an actual and bona fide financial interest in such corporation;

C. Provides that such corporation shall reasonably compensate its directors and provides a procedure by means of which the directors shall be at frequent intervals fully informed as to the operations of the corporation; and provide for the meeting of such directors not less frequently than once each month. There shall be kept full and complete transcripts of all meetings of the board of directors or any committee thereof;

D. Provides that complete disclosure in a written report mailed to each stockholder of record shall be made of all transactions between any director and the corporation during the year preceding, and any dealings by the directors in the stock or other securities of such corporation;

E. Provides that a copy of any general plan or program with any foreign corporation or foreign national, directly or indirectly, and with any corporation or person controlled by any foreign corporation or national, to effect the exchange or transfer of property, franchises, or other rights, including patents or licenses, whether through purchase, assignment, lease, or sale or otherwise, shall be filed with the Department of Justice of the United States and shall be completely disclosed to each stockholder of record prior to the time that such general plan or program shall be come legally effective.

F. Provides that a copy of every contract, agreement, or arrangement, and any purchase, assignment, lease, or sale of property, franchises, or other rights, including patents and licenses, with, to, or from any foreign corporation or foreign national, directly or indirectly, or with, to, or from any corporation or persons controlled by a foreign corporation or foreign national, shall be filed with the Department of Justice of the United



States within 30 days after such contract, agreement, arrangement, purchase, assignment, lease, or sale has been entered into or made.

G. Provides that the directors of such corporations shall be deemed to be trustees for the stockholders and required to exercise the degree of care employed by a trustee in the administration of a business with which he is familiar.

H. Provides that any directors of such corporation shall be individually and civilly liable to the corporation for any damage caused to the corporate estate through the violation by the corporation of any Federal law, where any act constituting such violation was authorized, ordered, or done by any such director.

I. Prohibits the reimbursement by the corporation to any director or officer of any expense sustained by him or incurred in his behalf as a result of his violation of any Federal law.

J. Provides that any director who fails to attend meetings of the board of directors over a 6-month period forfeits his directorship.

K. Provides that each share of stock shall give the holder thereof the right to cast one vote in all matters which are determined by vote of the stockholders.

L. Provides that any proposal which is approved by the board of directors and which alters the existing rights of any stockholder or security holder shall be fully disclosed to the stockholders within a reasonable time before their consent to such proposal is sought.

M. Provides for full disclosure to the stockholders of any voluntary payments made by the corporation.

N. Provides that any amendment of the charter which alters the existing rights of any stockholders or security holders shall be submitted to, and shall not become effective until approved by, such class of stockholders or security holders for a vote by such class voting as a class.

O. Provides that such corporation shall not directly or indirectly in the future purchase shares of stock or other interests in any corporation or company principally engaged in a business other than the principal business of such corporation.

Sec. 5. The Commission shall issue a certificate of statutory compliance to any trade association, the charter of which conforms to the following requirements:

The association shall file with the Commission a semiannual report (a) stating the services performed by such association and the type of data collected or disseminated by such association, (b) listing the publications of such association and designating the subject matter and date of all letters or other documents published by the association to its membership, and the officers, directors, employees, and members of such association, and (c) including full minutes of all meetings of the officers, directors, or members of such association. Affidavits required by the responsible officers of the association shall accompany such report and shall state that there has been disclosure of all relevant acts and services of the association.

Sec. 6. The Commission shall issue a certificate of statutory compliance to any labor organization, the charter of which conforms to the following requirements:

(a) Election of officers shall be held at least once each year.

(b) Ballots shall permit voters to vote for any person nominated as a candidate or for any other person. Any member of the organization shall be permitted to observe the collection and counting of ballots.

(c) There shall be a detailed accounting by independent accountants of the funds, assets and liabilities, expenditures and receipts, of the organization, not less than once every 2 years. A report of such accounting

shall be made public, and a copy thereof filed with the Commission.

(d) No initiation fee for any members shall exceed \$10.

Sec. 7. Penalties: (a) Any corporation or trade association engaging in commerce without having received from the Commission a certificate of statutory compliance shall be liable for civil penalties in the following amounts:

(1) \$25 for each of the first 30 days upon which the corporation or trade association so engages in commerce;

(2) An amount equal to 1 percent of the book value of the capital stock of the corporation or of the assets of the trade association for each month after the first 30 days during any part of which the corporation so engages in commerce.

(b) Any labor organization subject to this act which has not received a certificate of statutory compliance will be disqualified to act as collective-bargaining agent under the National Labor Relations Act and, in addition, will be liable for civil penalties in the following amounts:

(1) \$10 for each of the first 30 days during which such organization continues to operate without such a certificate.

(2) An amount equal to \$1 per member for each month after the first 30 days during any part of which such organization continues to operate without such a certificate.

(c) Such penalties shall be recoverable in a civil action brought in the name of the United States in a United States district court in any district in which the corporation, trade association, or labor organization has an office or engages in business. Suits for penalties on behalf of the United States shall be prosecuted by the United States district attorneys or by the Attorney General. The corporation, trade association, or organization shall have the right to recover penalties it has paid or owes the United States from any officer, director, or other person responsible for its violation of this act. Such officers, directors, or other persons shall also be liable for such penalties jointly with the corporation, trade association, or organization, and the United States may join as defendants such officers, directors, or other persons in any action brought against the corporation, trade association, or organization.

(d) The United States, through the United States district attorneys or the Attorney General, may bring suit to enjoin or restrain any violations of this act and to restore the condition of any corporation, trade association, or organization as nearly as possible to that which would have existed if this act had not been violated. The United States may also, acting through the Attorney General, bring action to revoke the certificate of statutory compliance of any corporation, trade association, or labor organization which has willfully, knowingly, or repeatedly violated the provisions of sections 4, 5, or 6 of this act, or the charter provisions required by this act, or which has amended its charter so that a certificate of statutory compliance would not now be granted. Any person who discriminates against or willfully injures any other person because he has brought or might bring an action authorized under this act shall be subject to a fine of not more than \$10,000 or to imprisonment for not more than 1 year, or both such fine and imprisonment.

Sec. 8. Jurisdiction of courts: The district courts of the United States shall have jurisdiction to entertain all actions and proceedings authorized under this act.

Sec. 9. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

Sec. 10. The right to alter, amend, or repeal this act, or any part thereof, is hereby expressly reserved.

Mr. PEPPER. Mr. President, when a few moments ago I gave notice of my intention to move hereafter to suspend paragraph 4 of rule XVI of the Standing Rules of the Senate for the purpose of proposing a certain amendment to H. R. 6868, which is now before the Senate, I incorporated in that notice what might well be considered two amendments. I should like, at this time, to give notice in writing, in accordance with the provisions of rule XL of the Standing Rules of the Senate, of my intention to move hereafter to suspend paragraph 4 of rule XVI of the Standing Rules of the Senate for the purpose of proposing certain amendments attached to the notice in connection with House bill 6868.

Mr. President, I want it distinctly understood that I have given altogether three notices in writing, as will appear in the Record. Two amendments are presented together, and then I have two additional notices which separately embody certain amendments.

The PRESIDING OFFICER. The notices presented by the Senator from Florida will be received and printed in the Record.

Mr. PEPPER submitted the following notice in writing:

In accordance with the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing of my intention to move hereafter to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, viz: At the proper place in the bill insert the following additional section:

"It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature as an initiation fee or charge which is made a condition precedent to the right, or opportunity, to work upon any war work as defined by the War Production Board. Any person violating this provision shall upon conviction be punished by imprisonment not exceeding 1 year or by fine not exceeding \$1,000."

Mr. PEPPER also submitted an amendment intended to be proposed by him to House bill 6868, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. PEPPER also submitted the following notice in writing:

In accordance with the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing of my intention to move hereafter to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, the following amendment, viz: At the proper place in the bill insert the following additional section:

"Sec. —. The President shall proclaim a day and, if necessary in his judgment, an exact time of day within the last 2 years which shall be deemed for the duration of the war to be the date on which existed the standard maximum level of prices for all goods, articles, or commodities, including rental of property and interest on money, and the standard maximum level of compensation for all services.

"The price or compensation existing at the time fixed in the proclamation of the President shall for the duration of the war, or until the revocation of the Presidential proclama-



tion by the President, become the standard maximum price for the acquisition or use of all goods, articles, or commodities, including rental of property and rates of interest and the standard maximum level of compensation for services to which such price or compensation, respectively, applied at such time: *Provided, however,* That the Office of Price Administration, with the concurrence of the Chairman, or his representative of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may, whenever it deem such action necessary to the effective prosecution of the war and in the public interest, or to avoid any undue hardship, alter any price or rate of compensation in any case or class of cases, and such alteration may be made as often as may be found necessary to the effective prosecution of the war or in the public interest or to avoid undue hardship.

"If any such maximum price or maximum compensation is altered, as herein provided, by the Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, then the price or compensation so fixed shall constitute the maximum price of any goods, articles, or commodities, including rental of property or interest on money, capital, or credit, or compensation to be paid and received for any services rendered.

The Office of Price Administration, with the concurrence of the Chairman, or his representative, of the War Production Board, and the Chairman, or his representative, of the Board of Economic Warfare, may, when no price level for the acquisition or use of any goods, articles, or commodities, including rental of property or interest on money, or credit, or compensation level for services existed on the date proclaimed by the President, fix the maximum price for the acquisition or use of any such goods, articles, or commodities, including rental of property or interest on money or credit, and the maximum compensation for any such services.

"Any person charging or paying a higher price for any goods, articles, or commodities, including rental of property and interest on money, capital or credit, or any person paying or receiving a greater compensation than so fixed by the Office of Price Administration shall upon conviction be imprisoned not exceeding 1 year or fined not exceeding \$1,000, or both. This provision shall be effective for the duration of the war only."

Mr. PEPPER also submitted an amendment intended to be proposed by him to House bill 6868, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

#### CONSENT DECREE BETWEEN THE UNITED STATES AND STANDARD OIL CO. OF NEW JERSEY

Mr. O'MAHONEY. Mr. President, I have in my hand a copy of the consent

decree which was entered into between the United States through the Department of Justice and the Standard Oil Co. of New Jersey. I think this decree is a matter of such vital public importance that it should be made public, and I, therefore, ask unanimous consent that it may be printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Marcel E. Malige, of Idaho, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:  
Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Calendar.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the postmaster nominations be confirmed en bloc, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc, and, without objection, the President will be notified forthwith.

That completes the calendar.

#### RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 9 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 7, 1942, at 12 o'clock noon.

#### NOMINATIONS

Executive nominations received by the Senate April 6 (legislative day of March 30), 1942:

##### COAST AND GEODETIC SURVEY

William Rude Jackson to be junior hydrographic and geodetic engineer with rank of lieutenant (junior grade) in the Coast and Geodetic Survey.

##### APPOINTMENT IN THE NAVY

Capt. Alva D. Bernhard to be a rear admiral in the Navy for temporary service, to rank from the 23d day of November 1941.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate, April 6 (legislative day of March 30), 1942:

##### POSTMASTERS

##### ILLINOIS

Melvin Manecke, Argenta.  
Gerd Willms, Crescent City.  
Alice D. Condit, Elsie.  
Warthen K. Kimball, Gurnee.  
Keith K. Angle, Hillview.  
Urban A. Tempel, Ivesdale.  
Henry Dwyer, Ladd.  
Virginia D. Wall, Nebo.  
Charles T. Gilbert, New Canton.  
Albert W. Butler, Sublette.  
Mollie E. Patterson, Waltonville.  
Martha H. Prevost, West Union.

##### NEW YORK

Eva Purcell, Barryville.  
William Burns Kirk, De Witt.  
Agnes H. Brink, Endwell.  
Ralph N. Schaack, Gowanda.  
Raymond H. LaClair, Huntington.  
Grace S. G. Davies, Lake Kushaqua.  
Harold H. Sly, New Hampton.  
Mary L. Doyle, Tannersville.  
Catherine J. McMahon, Wyandanch.

##### NORTH CAROLINA

Colus W. Williams, Fallston.  
August D. Wessell, Hallsboro.  
James R. Crowder, Peachland.

##### PUERTO RICO

Jose G. de Iturrondo, Carolina.  
Francisca Rodriguez, Juana Diaz.  
Monserrate Figueroa, Lajas.

##### SOUTH CAROLINA

Fore J. Waston, Kingstree.  
Gordon W. Morris, Society Hill.  
Mollie S. West, Tucapau.  
Lottie M. Vernon, Wellford.  
Palmer A. Matthews, Winnsboro.



# House of Representatives

MONDAY, APRIL 6, 1942

The House was called to order at 12 o'clock noon by the Speaker pro tempore, Mr. Cox.

The Right Reverend James M. Maxon, D. D., LL. D., bishop of Tennessee, Protestant Episcopal Church, offered the following prayer:

O God, Father of all peoples on earth, our refuge and our strength, guide and protect, we pray Thee, our Nation in this fiery trial of war. Grant us true repentance, and take away our offenses, that, with clean hands and pure hearts, we may go forward, united in purpose, to serve the cause of justice and brotherhood. Save us from hatred, cruelty, and malice. Endue our leaders, and especially the Speaker and Members of this House, with courage and wisdom—strengthen and protect our defenders, wherever they may be, by land, by sea, and in the air, and suffer no dishonor to stain our arms. Safeguard and multiply the ministers of mercy, succor the wounded, relieve the dying, and comfort the bereaved. Bless those who labor in field and factory, in office and home, for our country's welfare. Make a speedy end to tyrannies on earth, and deliver the desolate and oppressed of all nations. Hasten the advent of a righteous peace, and establish Thy kingdom of righteousness, through our Lord and Saviour, Jesus Christ. Amen.

## THE JOURNAL

The Journal of the proceedings of Thursday, April 2, 1942, was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6554. An act to amend war-risk insurance provisions of the Merchant Marine Act, 1933, as amended, in order to expedite ocean transportation and assist the war effort.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1603. An act to provide for the extension of banking facilities at military reservations and at navy yards and stations, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 139) entitled "An act to permit appeals by the United States to the circuit courts of appeals in certain

cases," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon; and appoints Mr. McFARLAND, Mr. KILGORE, and Mr. DANAHER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6483) entitled "An act to amend the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended."

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments:

1. Department of Agriculture.
2. Department of the Navy.
3. Post Office Department.

## PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent that today at the conclusion of the business on the Speaker's table and any previous special order I may address the House for 5 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following the special order of the gentleman from Washington [Mr. SMITH].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

## SALE OF PETROLEUM PRODUCTS TO JAPAN PRIOR TO PEARL HARBOR

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RICH. Mr. Speaker, the old proverb "People who live in glass houses should not throw stones" is still a good one. I was interested to notice the following statement in a newspaper I picked up recently:

Standard officials were said by Assistant Secretary of State A. A. Berle to have used the contracts as an excuse for continued shipments of gasoline and oil to the Condor Air Line against the wishes of the State Department.

I am not defending the Standard Oil Co. on any contracts they had with any foreign lines to furnish gasoline and oil to the Axis, but I do remind you that I tried to get the Secretary of State last year to stop the shipment of oil to Japan. At that time they were shipping an average of 72,000 barrels of oil a day, 15,000,000 gallons of gasoline, and 350 barrels of machine oil. Together with others, I took it up with the State Department in an effort to have them stop it, but they would not. Secretary Ickes was thereafter appointed Oil Coordinator. We told him that that gasoline and oil would be used against American boys if we ever got into war, and he agreed with us about it, but we could not get the State Department to stop it. As I read their criticism of others I think they themselves should bear their share of criticism.

[Here the gavel fell.]

## DEFENSE HOUSING AND PUBLIC WORKS IN AND NEAR THE DISTRICT OF COLUMBIA

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill H. R. 6483, "An act to expedite the provision of housing in connection with national defense, and for other purposes."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Speaker, I ask unanimous consent that the statements made by the managers on the part of the House may be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

(For conference report and statement, see proceedings of the House of April 2, 1942.)


Mr. MICHENER. Mr. Speaker, reserving the right to object, will the gentleman explain the conference report to the House?

Mr. LANHAM. Yes, I shall be glad to; I wish to make a brief explanation of the conference report. When the House passed this measure which has to do with housing and public works, or community facilities, in the metropolitan area of the District of Columbia, it authorized an appropriation of \$50,000,000 for these two purposes, made necessary by the influx of defense workers into Washington.

After the bill was passed by the House, the President issued under the War Powers Act an Executive order placing defense housing under the control of the National Housing Agency, and placing the public works, or community facilities, in the congested defense areas under the

77TH CONGRESS  
2D SESSION

*April 6 - Supply Bill before*



# H. R. 6868

---

## IN THE SENATE OF THE UNITED STATES

APRIL 6 (legislative day, MARCH 30), 1942

Ordered to lie on the table and to be printed

---

## AMENDMENT

Intended to be proposed by Mr. TAFT as a substitute for the amendment proposed by Mr. MCKELLAR, in behalf of the Committee on Appropriations, to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, viz: At the appropriate place in the bill insert the following:

- 1 SEC. 402 (a) The Secretary of War, the Secretary of
- 2 the Navy, and the Maritime Commission are hereby in-
- 3 structed to insert in every contract for an amount in excess
- 4 of \$100,000 hereafter made by such Department a provision
- 5 for the retention by the United States or the repayment to
- 6 the United States of any amount of the contract price which
- 7 represents excessive profits, determined as hereinafter pro-

1 vided, and a provision requiring the contractor to insert in  
2 every subcontract for an amount in excess of \$100,000 made  
3 by him under such contract a provision for the retention by  
4 the United States or the repayment to the United States of  
5 any amount of the contract price representing excessive  
6 profits, determined as hereinafter provided, and a provision  
7 for relieving the contractor from any liability to the subcon-  
8 tractor on account of any amount so retained by or repaid to  
9 the United States.

10 (b) All sums provided to be paid by the contract in  
11 excess of cost, plus a percentage of the contract price deter-  
12 mined as hereinafter provided, shall be deemed to be excess  
13 profits for the purposes of this section. The cost of per-  
14 forming contracts shall be determined in accordance with the  
15 method of cost accounting regularly employed in keeping the  
16 books of the contractor in question, but if no such method  
17 of cost accounting has been employed, or if the method so  
18 employed does not in the opinion of the Profits Board here-  
19 inafter created clearly reflect such cost, such cost shall be  
20 determined in accordance with such method as in the opinion  
21 of said Board does clearly reflect such cost. In the case of  
22 a contractor which does not regularly employ a method of  
23 cost accounting in keeping its books, such contractor may,  
24 with the approval of the Secretary, determine the allocation  
25 of indirect costs to be made to contracts according to the



1 ratio of direct cost of performing contracts to total costs.  
2 Irrespective of the method employed by any contractor for  
3 determining costs of performing contracts, no item of cost  
4 shall be charged to the performance of any such contract,  
5 or used in any manner for the purpose of determining the  
6 cost of such performance, unless such item would have been  
7 chargeable against such contract if such contract had been  
8 subject to the provisions of section 3 of the Act of March 27,  
9 1934 (known as the Vinson-Trammell Act), prior to the  
10 enactment of the Second Revenue Act of 1940. In deter-  
11 mining cost no allowance shall be made for any salaries,  
12 bonuses, or other compensation paid by a contractor to its  
13 officers or employees in excess of a reasonable amount; nor  
14 shall they make allowance for any excessive reserves set up  
15 by the contractor, or for any other costs incurred by the  
16 contractor which are excessive and unreasonable. All taxes,  
17 including excess-profits taxes, normal taxes, and surtaxes,  
18 may be included as part of the cost.

19 (c) There is hereby created a Profits Board, to be  
20 made up of the Secretary of War, the Secretary of the Navy,  
21 the Chairman of the Maritime Commission, the Secretary  
22 of the Treasury, and the Chairman of the War Production  
23 Board. Each of such members shall have the right to appoint  
24 a substitute to serve as a member of the Board and perform  
25 all of the functions of such member. Such Board shall

1 forthwith classify all contracts in as many classes as it may  
2 determine, giving due regard to the character of the article  
3 involved, the nature of the contract, the amount of capital  
4 required in manufacturing or other activities essential to per-  
5 formance of the contract, the rate of turn-over, and other  
6 factors. The Board shall then determine a proper percentage  
7 of total cost to be allowed in the case of each such type of  
8 contract, to be in no case less than 2 per centum of total cost  
9 and in no case more than 10 per centum of total cost. The  
10 Board shall fix such percentages of total cost for each type  
11 of contract as in its opinion will return to the contractors  
12 entering into such type of contract approximately 5 per  
13 centum per annum on the capital which it has invested in the  
14 business. The percentage so fixed by the Board shall be  
15 added to the cost, and those sums in excess of the cost plus  
16 the percentage so fixed shall be deemed to be excessive  
17 profits.

18 (d) The Profits Board shall have power to make regula-  
19 tions with regard to the proper method of determining costs  
20 and percentages of cost.





---

## AMENDMENT

---

Intended to be proposed by Mr. TART as a substitute for the amendment proposed by Mr. McKELLAR, in behalf of the Committee on Appropriations, to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

---

APRIL 6 (legislative day, MARCH 30), 1942  
Ordered to lie on the table and to be printed

77TH CONGRESS  
2D SESSION

# H. R. 6868



## IN THE SENATE OF THE UNITED STATES

APRIL 6 (legislative day, MARCH 30), 1942

Ordered to lie on the table and to be printed

## AMENDMENT

Intended to be proposed by Mr. McKELLAR, on behalf of the Committee on Appropriations, to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, viz:

- 1 On page 48, line 19, before the period insert: “: *Pro-*
- 2 *vided*, That purchases of automobiles heretofore made at
- 3 prices not in excess of those herein authorized are hereby
- 4 authorized and validated”.

---

## AMENDMENT

---

Intended to be proposed by Mr. McKEELAR, on behalf of the Committee on Appropriations, to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

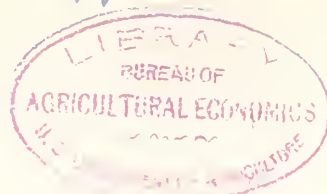
---

APRIL 6 (legislative day, March 30), 1942

Ordered to lie on the table and to be printed



*Approved - 6<sup>th</sup> Suppl 7/11/42*



77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6868

---

IN THE SENATE OF THE UNITED STATES

APRIL 6 (legislative day, MARCH 30), 1942  
Ordered to lie on the table and to be printed

---

## AMENDMENT

Intended to be proposed by Mr. MEAD to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, viz: At the proper place in the bill insert the following:

- 1 That any person engaged in the performance of (1) any
- 2 contract or order for the government of any country whose
- 3 defense the President deems vital to the defense of the United
- 4 States, pursuant to provisions of the Act entitled "An Act
- 5 further to promote the defense of the United States, and for
- 6 other purposes", approved March 11, 1941, or (2) any
- 7 contract or order for the United States, or (3) any subcon-
- 8 tract or suborder necessary or appropriate to the fulfillment

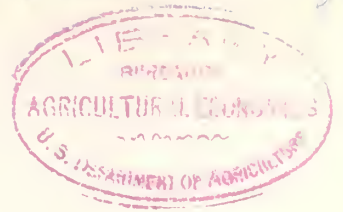
1 of any contract or order for any such government or for the  
 2 United States, who shall discriminate against or in favor of  
 3 any employee or prospective employee or applicant for em-  
 4 ployment, because of his race, color, or creed, shall upon  
 5 conviction thereof, be punished by a fine of not exceeding  
 6 \$1,000 or by imprisonment for not exceeding six months,  
 7 or both.

## AMENDMENT

Intended to be proposed by Mr. Mead to the bill  
 (H. R. 6868) making additional appropri-  
 ations for the national defense for the fiscal  
 year ending June 30, 1942, and for other  
 purposes.

APRIL 6 (legislative day, MARCH 30), 1942  
 Ordered to lie on the table and to be printed

# H. R. 6868



## IN THE SENATE OF THE UNITED STATES

APRIL 6 (legislative day, MARCH 30), 1942  
Ordered to lie on the table and to be printed

## AMENDMENT

Intended to be proposed by Mr. PEPPER to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, viz: At the proper place in the bill insert the following additional section:

1        SEC.     . It shall be unlawful to receive, require the pay-  
2   ment of, or pay any sum of money, or fee of any nature,  
3   as an initiation fee or charge which is made a condition  
4   precedent to the right, or opportunity, to work upon any war  
5   work, as defined by the War Production Board. Any person  
6   violating this provision shall upon conviction be punished by  
7   imprisonment not exceeding one year or by fine not exceeding  
8   \$1,000.

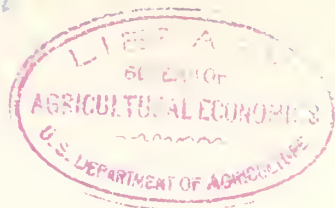


## AMENDMENT

Intended to be proposed by Mr. Pepper to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

APRIL 6 (legislative day, MARCH 30), 1942  
Ordered to lie on the table and to be printed

Approp. - 6th Regt. 1942



77TH CONGRESS  
2D SESSION

# H. R. 6868

IN THE SENATE OF THE UNITED STATES

APRIL 6 (legislative day, MARCH 30), 1942  
Ordered to lie on the table and to be printed

## AMENDMENT

Intended to be proposed by Mr. PEPPER to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, viz: At the proper place in the bill insert the following additional section:

1        SEC.     . The President shall proclaim a day and, if neces-  
2        sary in his judgment an exact time of day, within the last two  
3        years which shall be deemed for the duration of the war to be  
4        the date on which existed the standard maximum level of  
5        prices for all goods, articles, or commodities, including rental  
6        of property, and interest on money, and the standard maxi-  
7        mum level of compensation for all services.

8        The price, or compensation, existing at the time fixed in

1 the proclamation of the President shall for the duration of  
2 the war, or until the revocation of the Presidential proclama-  
3 tion by the President, become the standard maximum price  
4 for the acquisition or use of all goods, articles, or commodi-  
5 ties, including rental of property, and rates of interest and  
6 the standard maximum level of compensation for services  
7 to which such price, or compensation, respectively, applied  
8 at such time: *Provided, however,* That the Office of Price  
9 Administration, with the concurrence of the Chairman, or his  
10 representative, of the War Production Board, and the Chair-  
11 man, or his representative, of the Board of Economic War-  
12 fare, may whenever it deem such action necessary to the  
13 effective prosecution of the war, and in the public interest, or  
14 to avoid any undue hardship, alter any price, or rate of  
15 compensation, in any case, or class of cases.

16 If any such maximum price or maximum compensation  
17 is altered, as herein provided, by the Office of Price Admin-  
18 istration, with the concurrence of the Chairman, or his repre-  
19 sentative, of the War Production Board, and the Chairman,  
20 or his representative, of the Board of Economic Warfare,  
21 then the price or compensation so fixed shall constitute the  
22 maximum price of any goods, articles, or commodities, includ-  
23 ing rental of property, or interest on money, capital, or credit,  
24 or compensation to be paid and received for any services  
25 rendered.



1       The Office of Price Administration, with the concurrence  
2 of the Chairman, or his representative, of the War Production  
3 Board, and the Chairman, or his representative, of the Board  
4 of Economic Warfare, may when no price level for the  
5 acquisition, or use of any goods, articles, or commodities,  
6 including rental of property, or interest on money, or credit,  
7 or compensation level for services existed on the date pro-  
8 claimed by the President, fix the maximum price for the  
9 acquisition or use of any such goods, articles, or commodities,  
10 including rental of property, or interest on money, or credit,  
11 and the maximum compensation for any such services.

12       Any person charging or paying a higher price for any  
13 goods, articles, or commodities, including rental of property  
14 and interest on money, capital, or credit, or any person paying  
15 or receiving a greater compensation than so fixed by the  
16 Office of Price Administration shall upon conviction be im-  
17 prisoned not exceeding one year, or fined not exceeding  
18 \$1,000, or both. This provision shall be effective for the  
19 duration of the war only.

# H. R. 6868

## AMENDMENT

Intended to be proposed by Mr. Pepper to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

APRIL 6 (legislative day, March 30), 1942

Ordered to lie on the table and to be printed







By Mr. SHIPSTEAD:

S. 2439. A bill for the relief of Andrew Stenman; to the Committee on Claims.

By Mr. McNARY (for Mr. NORRIS):

S. 2440. A bill for the relief of the Bridgeport Irrigation District; to the Committee on Irrigation and Reclamation.

By Mr. VAN NUYS:

S. 2441. A bill to implement article 28 of the convention signed at Geneva on July 27, 1929, and proclaimed by the President on August 4, 1932 (47 Stat. 2074, 2092), by making it a criminal offense for any person to use the emblem and name of the Red Cross for commercial or other purposes; to the Committee on the Judiciary.

By Mr. CLARK of Missouri:

S. 2442. A bill to authorize the Secretary of War to approve a standard design for a service flag; to the Committee on Military Affairs.

#### AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. WALLGREN submitted an amendment proposing to appropriate \$500,000 for the construction and equipment of a Northwest electrodevelopment laboratory, intended to be proposed by him to House bill 6845, the Interior Department appropriation bill, 1943, which was referred to the Committee on Appropriations and ordered to be printed.

#### BROADCAST TO JAPANESE PEOPLE BY SENATOR THOMAS OF UTAH

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address by Senator THOMAS of Utah broadcast to the people of Japan on Pearl Harbor Day, which appears in the Appendix.]

#### STATEMENT BY FRANCIS B. SAYRE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a statement by Francis B. Sayre, United States Commissioner to the Philippines, which appears in the Appendix.]

#### INSTRUCTIONS OF JOSEPH B. EASTMAN RELATIVE TO RAIL AND BUS TRANSPORTATION

[Mr. HILL asked and obtained leave to have printed in the RECORD the instructions issued by Joseph B. Eastman, Director of the Office of Defense Transportation, relative to rail and bus transportation, which appear in the Appendix.]

#### THE 40-HOUR WEEK

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD a letter from a citizen of Oregon regarding the 40-hour week, which appears in the Appendix.]

#### SIXTH SUPPLEMENTAL DEFENSE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

Mr. McKELLAR. Mr. President, in view of the fact that I am about to ask for a unanimous-consent agreement, I should be very happy if Senators would give me their attention.

Yesterday there was passed over a proposed amendment on page 47, of the pending bill, beginning in line 10, where the committee recommended that there be stricken from the bill as it passed the House the following provision:

SEC. 402A. No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material

and supplies for either the Military or Naval Establishments, designated as "final payment" to any contractor who fails to file with the procuring agency a certificate of costs and an agreement for renegotiation of contract and reimbursement of profits in excess of 6 percent.

I am about to move to suspend paragraph 4 of rule 16 in order that I may offer an amendment to cover the matter proposed to be stricken out, and I should like to have the amendment printed in the RECORD at this point.

There being no objection, the amendment, intended to be proposed by Mr. McKELLAR, was ordered to be printed in the RECORD, as follows:

At the proper place in the bill insert the following:

"SEC. 402. (a) For the purposes of this section, the term 'Department' means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term 'Secretary' means the Chairman of such Commission, and the terms 'renegotiate' and 'renegotiation' include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d), (e), and (f) of this section, the term 'contract' includes a subcontract and the term 'contractor' includes a subcontractor.

"(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period when the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is deemed by the Secretary to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period when the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is deemed by the Secretary to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

"(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department, (1) to require the contractor to renegotiate the contract price, (2) to withhold from the contractor any amount of the contract price which is deemed by the Secretary to represent excessive profits, and (3) in case any amount of the contract price deemed by the Secretary to represent excessive profits shall have been paid to the contractor, to recover such amount from such contractor. Such contractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts recovered under this subsection shall be

covered into the Treasury as miscellaneous receipts. No suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor pursuant to the provisions of this subsection. This subsection shall be applicable to all contracts hereafter made and to all contracts heretofore made, whether or not such contracts contain a renegotiation or recapture clause, provided (in the case of contracts heretofore made) that final payment pursuant to such contract has not been made prior to the date of enactment of this act.

"(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any other costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any other excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable.

"(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount of \$500,000 or more, statements of actual costs of production and such other financial statements, at such times and in such form and detail as such Secretary may require. Such statements shall be made under oath, except for such interim reports as may be required by the Secretary. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than 2 years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor.

"(f) Subject to the provisions of this section, the Secretary of each Department, separately or jointly with the Secretary of one or both of the other Departments, shall prescribe regulations which will, to the fullest extent practicable, indicate in advance the profits on contracts which will be deemed to be excessive for the purposes of this section. In prescribing such regulations, there shall be taken into consideration the amount and character of the personal services, equipment, material, and working capital, and the length of time likely to be required for performing various contracts and such other factors as are deemed appropriate by the Secretary or Secretaries prescribing such regulations. In any event, any profits on any contract in excess of the amount set out in the following schedule of maximum profit rates shall be deemed to be excessive for the purposes of this section unless the Secretary of the Department concerned makes a specific determination that a greater profit is not excessive in the case of such contract. A report of any such determination shall be made to the Congress within 30 days from the date thereof.



**"SCHEDULE OF MAXIMUM PROFIT RATES**

"10 percent of so much of the contract price as does not exceed \$100,000; plus

"8 percent of so much of the contract price as exceeds \$100,000 but does not exceed \$500,000; plus

"6 percent of so much of the contract price as exceeds \$500,000 but does not exceed \$1,000,000; plus

"5 percent of so much of the contract price as exceeds \$1,000,000 but does not exceed \$5,000,000; plus

"4 percent of so much of the contract price as exceeds \$5,000,000 but does not exceed \$20,000,000; plus

"3 percent of so much of the contract price as exceeds \$20,000,000 but does not exceed \$50,000,000; plus

"2 percent of so much of the contract price as exceeds \$50,000,000.

"In the case of a contract entered into on a cost-plus basis, the costs of performing the contract shall be included in determining the contract price for the purposes of this subsection. The foregoing provisions of this subsection shall not be construed to mean that the Secretary of any Department may not deem profits equal to or less than the amount set out in the foregoing schedule to be excessive profits for the purposes of this section.

"(g) The authority and discretion herein conferred upon the Secretary of each Department may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

"(h) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby."

Mr. McKELLAR. Mr. President, when the bill came over from the House, as chairman of the subcommittee of the Committee on Appropriations I called in representatives of the War Department, the Navy Department, and the Maritime Commission, the agencies directly affected by this provision. They came before us, and I earnestly urged them to go over the provision and see if they could not work out a plan which would reduce the costs and at the same time not be unworkable, as they claim this particular provision would be.

I wish to say for the representatives of the Army, the Navy, and the Maritime Commission that I never saw gentlemen who worked more carefully or actively to secure a plan which would bring about that which we all desire. I need not call names, but there appeared a lieutenant general of the Army, one or two major generals, and others representing the Army; there were admirals of the Navy, and there was Admiral Land of the Maritime Commission, together with various officials under them.

Mr. PEPPER. Mr. President, some of us are trying to locate the committee amendment. Is it in the RECORD?

Mr. McKELLAR. No; but the amendment I am about to offer is on the desks of Senators.

Mr. PEPPER. It does not seem to be on our desks.

Mr. McKELLAR. An amendment to the bill was proposed by me. I was authorized by the committee to propose it on the floor of the Senate. It does not

appear in the bill, it is a separate amendment.

The Senator from Louisiana [Mr. OVERTON] and the Senator from Wyoming [Mr. O'MAHONEY] proposed a provision which they thought would enable the various governmental agencies concerned with war contracts to negotiate the prices in the various contracts. I asked the Senator from Louisiana and the Senator from Wyoming if they would not take the amendment I am about to propose and go over it and make any suggestions which might occur to them. They acted with the greatest care and consideration and went over the proposal with the representatives of the three departments concerned.

We then had the representatives of the three departments return to our committee, with the Senator from Louisiana and Senator from Wyoming, who appeared before the subcommittee. There was no disagreement among the three departments; there was complete agreement on the part of every member of the subcommittee, to everything in the amendment which the committee authorized me to offer, with one exception—and I wish to call particular attention to the exception. It concerns subsection (f), beginning on page 5 of the proposed amendment.

There was a unanimous agreement on the part of the departments and all the members of the subcommittee, so far as we could ascertain, to all the provisions of the amendment, with the exception of subsection (f). The Senator from Oklahoma [Mr. THOMAS] offered what is now subsection (f) of the committee amendment, and the subcommittee agreed to it. When it came before the full committee, either the Senator from Wyoming [Mr. O'MAHONEY] or the Senator from Louisiana [Mr. OVERTON], or both of them together, offered what had previously been agreed upon as an amendment to the language which the subcommittee had reported. Under those circumstances a tie vote resulted, eight Senators voting in favor of the amendment proposed by the Senator from Oklahoma and eight against it. Therefore the Thomas amendment remains in the committee amendment. Thereupon the full committee voted unanimously, except for one member, to instruct the chairman of the subcommittee to offer the amendment on the floor of the Senate. That is the reason the amendment is now before the Senate.

Mr. President, there is a great deal of division of opinion so far as concerns the Thomas amendment, which is known as the schedule of rates. The three governmental divisions object to the schedule of rates. The three are in favor of the remainder of the committee amendment. The full Committee on Appropriations was evenly divided on the rate schedules. If any Senator does not understand just what the proposal is, I shall be glad to have him ask any questions at this point.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. What is now before the Senate?

The VICE PRESIDENT. The amendment on page 47 to eliminate section 402 (a) of the House bill.

Mr. TAFT. That amendment has not been agreed to by the Senate?

Mr. McKELLAR. No; it has not been agreed to.

The VICE PRESIDENT. It was passed over last night.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. SHIPSTEAD. From the Senator's remarks I gather that representatives of the Army, the Navy, and the Maritime Commission expressed a desire to reduce the unconscionable profits on war contracts.

Mr. McKELLAR. They all did. Not only that, but they joined together and prepared this amendment, with some minor alterations which were made afterward, with the exception of subsection (f).

Mr. SHIPSTEAD. What I cannot understand is this: The departments have been letting contracts under which these exorbitant profits have been made. If they desired to eliminate this profiteering, why did they not do so? I protested more than a year and a half ago against the method of letting contracts on a cost-plus basis which resulted in this robbery of the taxpayers. Why did not the departments in question do in the first place what is now proposed to be done?

Mr. McKELLAR. That is what we now propose to put into the law.

Mr. SHIPSTEAD. But why did not the officials who now come at the request of Congress to express their opinion of the matter in the first place do as they now suggest, be done?

Mr. McKELLAR. That is a question I cannot answer. The Senator would have to ask the question of those to whom he has referred. Of course, they were unquestionably responsible for the contracts.

Mr. SHIPSTEAD. Will the proposal now before us affect contracts already let?

Mr. McKELLAR. Yes; it will affect all contracts.

Mr. SHIPSTEAD. It will not result in a charge of violation of contract, will it?

Mr. McKELLAR. I believe that it can be worked out, but there is a provision in the bill which says that if any part of the bill is declared unconstitutional the remaining part of the bill will remain in effect.

Mr. SHIPSTEAD. I wish to say on the floor of the Senate that I think the letting of some of these contracts under the circumstances under which they have been let is one of the most unpatriotic acts that could be performed by any American citizen in time of war.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. GURNEY. Would it not be fair to say that some 3,000,000 contracts have been let?

Mr. McKELLAR. Yes.



Mr. GURNEY. And that possibly not more than 200 contracts could be classed as bad contracts to the unconscionable degree?

Mr. McKELLAR. I do not remember. Of course, publicity has been given only to a small number.

Mr. GURNEY. A very small number.

Mr. McKELLAR. A small number. I wish to say for the Army, the Navy, and the Maritime Commission that they have entered into the spirit of this matter fully. They desire a provision to go into the contracts declaring that price adjustment can be made later on, that a different price can be negotiated, so that they can protect the Government from racketeers.

Mr. GURNEY. Is it not a fact that if they had the authority now to renegotiate contracts which have been let in the last year or so, out of the 3,000,000 contracts which are now in force they might not now consider more than one or two hundred contracts?

Mr. McKELLAR. I could not give the number, but they say that a very small number would have to be examined.

Mr. GURNEY. My memory of the testimony is that there are less than 200 contracts which they would examine—

Mr. McKELLAR. I think one witness did so testify.

Mr. GURNEY. Out of the total of 3,000,000 contracts which have been let by the Army and the Navy.

Mr. McKELLAR. Yes.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HILL. With reference to existing contracts, contracts which have already been let, as I understand, the Senator's proposed amendment would cover those contracts just as well as future contracts.

Mr. McKELLAR. Yes.

Mr. HILL. Suppose a person who has a contract does not wish to renegotiate, would the Senator's amendment give to the Government the power to cancel that contract and force renegotiation?

Mr. McKELLAR. If the person who has the contract will not agree to renegotiate, the amendment provides that the Secretary may withhold from him so much of the contract price as represents excessive profits.

Mr. HILL. The Senator will recall that the Supreme Court handed down a decision several weeks ago saying that it would not set aside a contract because there happened to be an unconscionable profit in it; that the Congress had the power to legislate to prevent unconscionable profits, but that the Court would not undertake to set aside such contracts.

Mr. McKELLAR. That is precisely what we propose to do in the bill.

Mr. HILL. I understand what the Senator from Tennessee has in mind. I wish to make sure that that is exactly what the amendment provides so far as existing contracts are concerned. Suppose a contractor has a contract today, and the Government feels that he is making an unconscionable or unreasonable profit; what can the Government do?

Mr. TYDINGS. It can reopen it.

Mr. HILL. Suppose the contractor says he does not want to do that.

Mr. McKELLAR. I do not think there will be one contract in a million in connection with which the contractor will not wish to continue the negotiations.

Mr. HILL. Is it not true—the Senator from Tennessee was in the Senate at the time, and I was not—that during the World War we gave to the President or some agency of the Government the power to cancel contracts under certain conditions?

Mr. McKELLAR. Under certain conditions, but I think the power was inoperative largely, and I know it did not work satisfactorily. We have before us a proposal which I think will work, and I think will result in enormous saving to the Government. So much do I think so that, after talking to the various members of the subcommittee, after talking to my friend the Senator from Oklahoma [Mr. THOMAS], for whom I have the greatest and highest respect and esteem, I ask unanimous consent that the Senate agree to strike out section 402 (a) of the bill, and to substitute therefore all of the amendment authorized by the Committee on Appropriations, with the exception of subsection (f), beginning on page 5, line 13, and ending on page 7, line 5.

Mr. TAFT. Did the Senator ask unanimous consent?

Mr. McKELLAR. Yes.

Mr. TAFT. I object.

Mr. McKELLAR. I move that section 402 (a), found on page 47 of the bill, lines 10 to 17, both inclusive, be stricken out, and that there be substituted therefor all of the amendment, which I send to the desk, except subsection (f).

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. Mr. President, I rise to a point of order.

The PRESIDING OFFICER (Mr. BUNKER in the chair). The Senator will state it.

Mr. TAFT. The amendment, I think, violates paragraph 4 of rule XVI, in that it introduces legislation on an appropriation bill.

Mr. McKARRAN. Mr. President, I rise for information.

Mr. McKELLAR. Mr. President, the Parliamentarian tells me that my motion ought to be divided. Instead of making a motion I shall ask unanimous consent. I now ask unanimous consent to strike from the bill section 402 (a), on page 47, lines 10 to 17, both inclusive.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the committee amendment to strike out, on page 47, lines 10 to 17, inclusive, is agreed to.

Mr. McKELLAR. Now, I move the adoption of the amendment which I have offered.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TYDINGS. Section 402 (a), which was the House provision, has now been stricken from the bill?

Mr. McKELLAR. Yes.

Mr. TYDINGS. The Senator has moved that an amendment, modified in line with his explanation just now made, be inserted in place of section 402 (a)?

Mr. McKELLAR. That is correct.

Mr. TYDINGS. I should like to ask the Senator what would be in conference should the Senate adopt the amendment as modified by the Senator from Tennessee?

Mr. McKELLAR. The whole matter would be in conference. The House has passed a provision limiting profits to 6 percent. That would be in conference; also, the provision which I have suggested would be in conference.

Mr. TYDINGS. As I understand, if the amendment as modified were agreed to, it would be permissible for the Taft amendment to be considered in conference?

Mr. McKELLAR. It would.

Mr. TYDINGS. And any other amendment?

Mr. McKELLAR. And any other amendment.

Mr. TYDINGS. The gap would be so large that practically any proposal dealing with legislation on the subject of limitation of profits would be properly in conference?

Mr. McKELLAR. Yes.

Mr. TYDINGS. My opinion is that no matter how meritorious either the amendment of the Senator from Tennessee or the amendment of the Senator from Ohio may be in its philosophy, when the matter goes to conference some additional consideration will be required to perfect any solution.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I shall be glad to yield to the Senator in a moment.

The Senator from Maryland is exactly correct; and in order that the entire matter may have the fullest consideration when the bill is passed, I shall propose as conferees all the members of the subcommittee. The subcommittee consists of the chairman, the Senator from Virginia [Mr. GLASS], the Senator from Arizona [Mr. HAYDEN], the Senator from Georgia [Mr. RUSSELL], the Senator from Louisiana [Mr. OVERTON], the Senator from Oklahoma [Mr. THOMAS], the Senator from Nevada [Mr. McCARRAN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from North Dakota [Mr. NYE], the Senator from Massachusetts [Mr. LODGE], the Senator from Oregon [Mr. HOLMAN], and the Senator from Illinois [Mr. BROOKS]. Any amendment, of course, may be considered. We want to save the Government from unconscionable contracts; and we want to do exactly what is right and workable. I told the gentlemen from the departments this morning that I should be very happy to have them come before the conferees if they have any objection to the plan which has been proposed.

I now yield to the Senator from Ohio.

Mr. TAFT. Mr. President, in view of the House provision, does not the Senator feel that if the suggested amendment were adopted the conferees would be more or less bound to impose, in an ap-



propriation bill, a limit on profits, and that the conferees could not propose to deal with the question by way of an excess-profits tax?

Mr. McKELLAR. I cannot agree to that statement; and I will tell the Senator why. We do not want to slow down the production effort of our country. We want to have contracts honestly made, honestly carried out, or honestly renegotiated all the way along the line. We do not want to slow down production at this time. I think that the two purposes can be effected. I can see how they can well be effected without a limitation, or with certain limitations. I do not think we ought to be tied down to a plan. We ought to act solely for the benefit of this country at such a time as this. That is what our committee proposes to do.

Mr. TAFT. Mr. President, will the Senator again yield?

Mr. McKELLAR. I yield.

Mr. TAFT. I wish to make it clear that the amendment which I have offered is offered only as a substitute for the amendment proposed by the committee if an amendment of that nature is to be adopted. Personally I think that no amendment should be adopted. In my opinion the only scientific way to deal with the question of profits is through an excess-profits tax. I am prepared to vote for a 100-percent excess-profits tax. I maintain that the proposed method of dealing with the question would slow down production, and that if we shall pursue the policy suggested by the Senator from Tennessee the conferees will be bound to adopt a profit limitation on each individual war contract, imposing great administrative difficulty in this situation and abandoning the solution which seems to me to be the only reasonable solution, namely, an excess-profits tax of from 90 to 100 percent.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. HAYDEN. My name appears on the list of suggested conferees. If I went into the conference I would not feel morally bound by reason of the fact that the House did a very foolish thing. The author of the House provision came before our committee and confessed that it was utterly unworkable. I would not feel bound to take part in any scheme to fix limitations.

Mr. TAFT. As I understand, the Senator is asking me to give him authority to fix limitations if he wishes to do so, or not to fix them if he does not wish to do so. It seems to me that the proposal of the committee is utterly unreasonable. If the committee does not think that there ought to be a profit limitation on each individual war contract then there ought to be no amendment at all, and the Senate conferees ought to go into the conference and reject the House provision, as we have just rejected it. But if we adopt a profit limitation on each individual contract, no matter in what form, I say that the conferees must necessarily come back with a profit limitation on each individual war contract. I think that is the wrong way to do it. I wish to present the reasons why I believe the Senate should not adopt the amend-

ment proposed by the Senator from Tennessee.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HAYDEN. If the Senate adopts the amendment proposed by the Senator from Tennessee, then the two Houses will have agreed upon one thing—namely, the renegotiation of contracts. We are proposing in this amendment to carry on the renegotiation of contracts by the methods now being used by the departments.

Mr. TAFT. Mr. President, if the Senator from Tennessee will again yield, I should like to ask him what renegotiation of contracts means. I have not been able to tell. Does it mean setting aside the old contract; and is the new one to be voluntary?

Mr. McKELLAR. The contract would not be set aside at all.

Mr. TAFT. Would the Secretary of War do all the renegotiating?

Mr. HAYDEN. Not at all. I can illustrate it—

Mr. TAFT. We have already enacted a law authorizing the Secretary of War to renegotiate contracts. He has that power under the Second War Powers Act. The power to renegotiate contracts already exists. We do not need this amendment for that purpose if the renegotiation is voluntary.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Oregon.

Mr. McNARY. I wish to comment briefly on the parliamentary situation. As I understand, the able Senator from Tennessee has offered an amendment as a substitute for the House provision, which has been stricken from the bill. I think the amendment should be offered as an amendment and not as a substitute.

Mr. McKELLAR. If the Parliamentarian says it should be offered as an amendment, I shall offer it in that form.

The PRESIDING OFFICER. The Senate has agreed to strike out section 402 (a); and therefore the amendment proposed by the Senator from Tennessee could not be offered as a substitute for that provision.

Mr. McKELLAR. Then I offer it as an amendment.

Mr. McNARY. Mr. President, if the Senator will again yield, I should like to make a further statement.

It is my judgment that the conferees would be limited within the provisions of the House language, which is a limitation, and the provisions of the Senate amendment, which would be legislation. If I correctly interpret the inquiry of the Senator from Ohio [Mr. TAFT], I do not believe that the conferees could bring back a taxing provision, such as an excess-profits tax.

The bill before us is an appropriation bill. The Constitution requires that a tax measure originate in the House. Therefore I think it would be outside the jurisdiction of the conferees to bring in any provision regarding an excess-profits tax. That would have to be done in connection with a revenue bill originat-

ing in the House. However, on the question of legislation, as between the House limitation and the proposed Senate amendment there would be a very wide range, although it would not go to the extent of touching war profits.

Mr. McKELLAR. I thank the Senator.

Mr. TAFT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. The amendment offered by the Senator from Tennessee violates paragraph 4 of rule XVI.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. McKELLAR. Mr. President, in accordance with the notice in writing which I gave yesterday, I move that paragraph 4 of rule XVI be suspended in order that I may offer the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

Mr. TAFT. Mr. President, it seems to me that it is obviously bad practice for the Senate to indulge in legislation on an appropriation bill. The provisions against such procedure are contained in the rules of the House and in the rules of the Senate. The reasons for them are admirably illustrated by the situation in which we find ourselves. We have before us a subject which does not particularly concern the Appropriations Committee, which only the Appropriations Committee has considered, and which it has considered hastily, under the necessity of considering an \$18,000,000,000 appropriation bill for airplanes, which should be immediately passed. The subject has not been given adequate consideration.

In effect, the request of the Senator from Tennessee and the Senator from Arizona is that we give authority to a conference committee to call before it representatives of the various departments to go into the whole question of profits limitations and work out a new system of profits limitations.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. TYDINGS. I should like to have the parliamentary situation made clear. If the section inserted by the House is stricken out and no substitute is adopted, then the matter in conference will be whether the House provision, some modification of the House provision, or no provision at all shall be incorporated in the bill. If I understand human nature as I should like to understand it, and as I think I understand it in some cases, I do not believe that the House wants this large appropriation bill to go through without an attempt being made to recapture, in the most equitable and sound form possible, abnormal profits. Therefore, if we have only the House provision, and no proposal at all on the part of the Senate, the conferees, if they stay within the rule, are very likely to arrive at some fixed figure which may not be workable. On the other hand, if we put in the proposal as modified by the Senator from Tennessee—

Mr. McKELLAR. As modified by the unanimous vote of the committee, with one exception.



Mr. TYDINGS. If we put in the proposal offered by the Senator from Tennessee, then the range is so much wider that a more equitable and sound proposal can be brought in without any violation of the rights of the House, of the Senate, or of the conferees themselves. It is that phase of the matter, in the absence of a tax provision which is excluded, as the Senator from Oregon says, that inclines me to support the proposal of the Senator from Tennessee, so that the conferees will have a wider latitude of action—latitude which I am afraid, if we simply eliminate the House proposal, will not be permitted to the conferees of the two Houses.

Mr. TAFT. Mr. President, in the first place, I do not agree with the Senator from Maryland at all. I think if we have adopted nothing, and if the House adopts the 6-percent limitation, we shall be able to substitute any other amendment limiting profits if it resembles the 6-percent limitation in any way. I believe we shall have just as broad a field as if we strike out all limitations.

Furthermore, I do not believe the House is going to hold up an appropriation bill providing \$18,000,000,000 for airplanes which are needed in order to insert legislation in an appropriation bill. I do not believe the House is going to insist on that if the Senate vote that they do not want to proceed in that way. If they want to adopt the excess-profits-tax method—and I will say, for myself, that I would make it a 100-percent excess-profits tax—I think that is the only reasonable way in which to limit profits. I know that the members of the Truman committee all feel that way about the matter. That committee has been considering the same question. Once this amendment is adopted, I believe the conference committee must report a profit limitation on each individual contract.

Mr. President, I think this is a complicated question and a difficult one. I may say frankly that some 3 months ago I started to draw a law with a profit limitation on each individual contract. I challenge any Senator to draw a satisfactory limitation of that nature that will make sense that will not involve a perfectly tremendous amount of administrative work in determining the costs on each individual contract, or else give completely arbitrary power to the Secretary.

In the amendment we have struck out subsection (f). Subsection (f) certainly was completely unreasonable. Everyone agrees to that. After the committee had fully considered the question, presumably, it decided that it was wrong, and struck out the most striking feature of the amendment; but the remainder of the amendment, in my opinion, is much worse than subsection (f), which has been removed.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from South Dakota.

Mr. GURNEY. I should like to call to the Senator's attention the language appearing on page 3 of the proposed amendment, beginning in line 17 and going down to the bottom of the page.

I should like to ask the Senator's opinion whether any proposed contractor would have a contract at all, in fact, if the amendment is agreed to and the bill as amended enacted into law; because it says:

No suit or action may be maintained in any court.

The negotiation is entirely with the Secretary of the Navy, the Secretary of War, and the Maritime Commission. So would it not really mean that a manufacturer would not in fact have a contract at all if the amendment should become a part of the law with this provision in it?

Mr. TAFT. Not only do I agree with the Senator as to that provision, but under that provision no contractor may sue the Government if the Government will not pay the amount provided in the contract. That would be an end of the whole system of suits in the Court of Claims which has been established in this country for scores of years. However, worse than that, if the amendment shall be agreed to, no contractor will have any contract with the United States Government. No man can know, when he makes a contract with the Government, whether he will receive the contract price or will not receive the contract price. No man can know.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I will yield in a moment; but first I should like to make the point which I have been endeavoring to make with respect to the amendment. No man would be able to tell, for 10 years after he had been paid the contract price, whether the Government might not come around some day and sue him to get back all or any portion of the profit he might have acquired. Under this provision he must agree in the contract that the Secretary of War, in the case of contracts with the War Department, may determine at any time, in his individual and arbitrary opinion, what are excessive profits.

On page 2 it is provided that the contract must contain a provision for the renegotiation of the contract price at a period when the profits can be determined with reasonable certainty. I do not know what renegotiation means, whether it means by force or whether it simply means that the Secretary may set aside the old contract and say, "You will not have a new contract until you agree with me on a new price." I suppose that must be what it means. If the provision is that the Secretary of War may say at any time, "This contract, formally made, signed, and sealed by the United States, is no good any more, Mr. X; come around and renegotiate with me tomorrow"; when Mr. X comes around the next day, so far as I can see, the Secretary of War may say, "You must take half the price I offered you before." Mr. X will have to take it, or lose all the money he has spent.

Second, there must be a provision for the retention by the United States of any amount of the contract price or repayment to the United States of any amount of the contract price which is deemed

by the Secretary to represent excessive profits. Not only now, but for 10 years to come, a Secretary may come in and say, "Well, the way I feel today, I think 1 percent return during the war was enough." I see no possible basis of going to court and obtaining any review whatever of the arbitrary determination of the Secretary of War.

Again, at the top of page 3:

(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such department, (1) to require the contractor to renegotiate the contract price, (2) to withhold from the contractor any amount of the contract price which is deemed by the secretary to represent excessive profits, and (3) in case any amount of the contract price deemed by the Secretary to represent excessive profits shall have been paid to the contractor, to recover such amount from such contractor.

There may be a general statute of limitations somewhere, but there certainly is none in this bill; and for years to come any one of 3,000,000 contracts—and probably there will be 10,000,000 more—may be opened up by the Department of Justice, and the Secretary may make an arbitrary determination that so much is excessive profit, and the United States may bring suit and recover that amount. If we are going to decide that no man shall get excessive profits even on an individual contract—and I think that perhaps can be done—certainly definite rules ought to be prescribed by Congress at least to give some department or some court a basis for determining whether or not a particular contract is returning excessive profits.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. I am very much impressed by what the Senator is saying, and, of course, by the difficulty that attends this whole problem. I am sure we all have in mind the statement made by Mr. Nelson—I believe it was quoted yesterday—that most businessmen would be willing to do their part, provided they were assured against impairment of their capital. I should like to ask the Senator whether, in his opinion, some basis might not be found whereby the contractor could be assured against loss by the Government, and then the Government could fix the fee that he should receive for the service he rendered, at the same time having power in the Government to scrutinize outrageous payments in the form of bonuses and excessive salaries. Is not the idea of giving assurance to the contractor against loss the thing he is principally concerned about? That may include legitimate hazards against which he cannot fairly protect himself; but if he were protected against loss, and then if he were given an adequate or reasonable limited fee for his service, and the whole were properly scrutinized, does the Senator think that would be about as good a basis as might be found for dealing with this subject?

Mr. TAFT. I think the suggestion of the Senator from Florida is a very reasonable one. It only illustrates, however,



that if we want to work out this problem, it has to be worked out very carefully. It has to be worked out after consultation with all the departments. I believe it would be possible to carry out such a provision against loss, and, on the other hand, a provision against more than a reasonable return.

The amendment I shall offer prescribes that limitations shall be so drawn that there shall be only 5 percent net return on capital per annum. In my amendment I create a profits board, which determines in advance what fixed fee or percentage will presumably return the contractor about 5 percent on his money. The chief difference between the substitute I offered and this amendment is that under my substitute the contractor knows in advance, when he makes the contract, what the contract is, and he knows how much money he is to get, and he knows that if he makes more than that he will have to pay it back.

Mr. BARKLEY. Mr. President—

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator's substitute was the subject of my inquiry. He objects to the provision in the amendment offered by the Senator from Tennessee on behalf of the committee because it provides for the readjustment or renegotiation of contracts after they are made. As I have read the Senator's amendment, section 402, on the second page, it provides that the Secretary of War, the Secretary of the Navy, and the Maritime Commission are instructed to insert in every contract for an amount in excess of \$100,000 hereafter made by such department a provision for the retention by the United States or the repayment to the United States—of course, the repayment to the United States is a repayment made after the contract is entered into, and perhaps after it has been completed—if it involves what the board regards as excessive profits.

Mr. TAFT. No; if it involves what the Board has determined, before the contract was made, would be excessive profits.

Mr. BARKLEY. But if the Board should later determine that under the contract which they had already entered into too much profit had been made, and part of it had to be returned, it would be, in effect, a reopening and a renegotiation of the contract.

Mr. TAFT. No; if the Senator will read the amendment I submitted—

Mr. BARKLEY. I have just been reading it and trying to understand it.

Mr. TAFT. It authorizes the Profits Board to fix, in the case of airplane contracts, say, 6 percent as a reasonable gross limitation on the amount of the contract; 7 percent, say, on battleships; 2 percent, perhaps, on shoes or something else; 10 percent on tanks, according to the proper percentage applicable to each type of contract. It is to be done in advance, however. The man who makes the contract knows what he is supposed to get, and he knows that if it works out in such a way that he gets more than that he will have to pay back the excess. It can be definitely determined, and a court can determine it, because the Board will

have made its regulations in advance; and the amendment does not leave to the arbitrary discretion of the Secretary of War for the next 10 years the determination of profits.

Mr. BARKLEY. It leaves it to the determination of a board made up of the Secretary of War, the Secretary of the Navy, and the Maritime Commission.

Mr. TAFT. To make regulations in advance.

Mr. BARKLEY. To determine the amount of profits made in other departments than their own. In other words, any one of these three, as a member of the Board, would be passing on the profits made under contracts with a department outside of his own.

Mr. TAFT. Is it not right if we are going to permit a profit of 6 percent on airplanes and 7 percent on naval vessels that both the Secretary of War and the Secretary of the Navy should determine that question? We want to put them in a relatively just position and do not want to have the Navy paying three times as much profit as the Army is paying. We would have a board to determine the proper level of the percentage of profits on these contracts. I think it would be much better if we could put the whole question on an annual basis, the net return on capital basis and the excess-profits-tax basis, because I think that it is almost impossible satisfactorily to determine the profits of each contract. Not only that, but I think if a contractor is limited to 5 percent, or less than that, for the year, after taxes, when he gets his tax bill the people would be satisfied. That is what they are interested in. They want a company not to make excessive profits. Whether they make a profit on one contract and a loss on another, it makes no particular difference.

Mr. BARKLEY. I agree with the Senator, and I have, on a number of occasions, stated on the floor that I think the better way to deal with this subject would be in the tax bill, for then the committee which is charged with the responsibility of writing tax bills could go into all phases of the subject, examine it exhaustively, and undertake to write a tax bill which would stop up the loopholes through which large corporations are able to escape the payment of excess-profits taxes.

Mr. TAFT. I agree with the Senator. I think we must supplement the excess-profits tax with a further provision.

Mr. BARKLEY. Regardless of our opinion about the course this legislation should have taken, we are confronted with the proposition that it is here; it is before us, and it must be dealt with. The House put the provision in the bill. We can strike out the House provision and put nothing in its place, and let it go to conference, and in that position try to write a provision by way of substitute or amendment. That would give the conferees an opportunity to work it out on the basis of sound judgment, with the advice and consultation of those charged with the responsibility of production who have a feeling—and I suppose we all understand they have such a feeling—that, instead of writing something in the bill which may appear to be limiting profits

but which might hold up production because men might hesitate to enter into contracts, the better strategy, the part of wisdom, would be to send this bill to conference where it can go, even though we strike out everything about the subject in such a condition as will leave the conferees the widest possible field to deal with the subject.

The amendment of the Senator from Ohio, if it were adopted, would provide a minimum of 2 and a maximum of 10, or an average of 5—

Mr. TAFT. I have changed that provision.

Mr. BARKLEY. So that under that provision it would be necessary for the conferees to bring something back here within the range of from 2 to 10. That is the difficulty about the amendment which the committee authorized originally in that part of the section which the Senate has stricken out. If that goes to conference, then we have the proposition for a minimum of 2 and a maximum of 10 on one side, dealing with all contracts, not only those entered into under this bill but those without the bill. There would be a graduated scale. It would be a very complicated proposition from a parliamentary standpoint, to work out a report on the part of the conferees, and they would have to take into consideration, if they tried to compromise between those two figures, the fact that in the House bill there is a straight limitation of 6 percent on all contracts under this bill, and under the Senator's original proposition it would be from 2 percent to 10 percent on contracts under this bill, and all other contracts. So that, in working out a parliamentary compromise, it seems to me that the conferees would be woefully handicapped, and that objection attaches to the Senator's amendment which is offered as a substitute.

It seems to me that the conferees would have great difficulty in the light of the suddenness of the proposal and the lack of full information on the part of both Houses of the Congress in regard to what is wise, with no committee investigation, no committee report, for no one has made an exhaustive report. The Committee on Appropriations attempted to do so because it had to deal with the subject and could not escape it. They either had to write a compromise or had to strike out the House provision altogether, which would still leave it in conference without any adequate investigation on the part of the committee. Even under the circumstances, I think the Committee on Appropriations did well in going into it as far as they did; but I am sure the members of the Appropriations Committee will concede that even they did not have the knowledge that may be necessary to write a workable provision. The suggestion of the Senator from Tennessee would leave the conferees in a position where they would have to bring something back; there can be no doubt about that; they would have to bring something back on the profit question. They could yield and bring back the House provision, which is a straight limitation, or the House conferees could yield and report the Senate



provision authorizing a readjustment and renegotiation of the contracts, which, I think, in some form, would be a better way to deal with it, and which would embarrass the Procurement Agency, the War Production Board, the Secretary of War, the Secretary of the Navy, and the Maritime Commission less than any rigid percentage we might try to write into the bill on the floor of the Senate.

For that reason I hope that the suggestion of the Senator from Tennessee will be agreed to by the Senate and that the bill will go to conference.

Mr. TAFT. Mr. President, it seems to me the argument made by the Senator from Kentucky is a conclusive argument against adopting this particular amendment. He says that this, which is probably the most serious and important measure the Congress has had to deal with since the first of January, has not been considered by a committee; that it has been acted on hastily; that it has been acted on without study. I am only quoting the words of the Senator from Kentucky.

Mr. BARKLEY. I agree to that; I do not deny that; I do not think any committee of the Congress has given sufficient study to this matter to enable it to write a workable provision which we can say is the last word.

Mr. TAFT. If the conference committee shall give it such study it will be different from most conference committees.

Mr. BARKLEY. The amendment of the Senator from Ohio himself which he has offered has had no study by a committee. I presume the Senator himself, since he has offered it, has given it some study or he would not have offered it; but, I hardly believe he thinks his amendment is the last word on the subject.

Mr. TAFT. I am not satisfied with my amendment, but it seems to me that the argument made that we should adopt something in which we do not believe in order that it may go to a conference committee to determine what action shall be taken, is absolutely contrary to every parliamentary principle the Senate of the United States ought to stand by.

Mr. BARKLEY. If this matter had been brought to the Senate originally as an amendment to this bill or a similar bill, I should have opposed any amendment on the subject. We are not responsible for the fact that it is before us. It came here in the bill from the other House. We cannot ignore the fact that it is in the bill.

Mr. TAFT. We can take it out of the bill.

Mr. BARKLEY. Yes, we can take it out so far as the Senate is concerned, but if the Senate should take it out would it be taken out so far as the conference is concerned? It still must go to conference, and the conferees would be limited to a percentage or nothing at all.

Mr. TAFT. The Senate can reject the conference report if the House proposes to insist on legislation on an appropriation bill. I do not believe that they will do so.

Mr. BARKLEY. That would bring about still more delay of an urgent bill

which is necessary in order to increase the number of our aircraft.

Mr. TAFT. There has not been an argument made in favor of this amendment. The argument all is that we ought to adopt an amendment, no matter what it may be, in order to get it to conference, and let the conferees decide the question. I do not think we can do that. I think we must consider the merits of the particular amendment. I cannot imagine any amendment that would tend more to destroy the whole productive effort than this amendment, because no man can possibly know, under it, whether he has a contract today or whether he will be paid the contract price or three-fourths of the contract price or half of the contract price or whether he will suffer a loss.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Tennessee.

Mr. McKELLAR. This amendment, as it is now offered, was drawn by the several departments interested in this matter, and if they had thought that it would stop the productive effort, if they had thought it was unworkable, they would not have suggested it. It was prepared originally by representatives of the three departments.

Mr. TAFT. I want to say that I have talked with high officials of the Navy Department, and they take the position that it would absolutely check and slow down the whole productive effort of the Navy. I can quote the Navy Department as well as can the Senator from Tennessee, and the Navy Department have not agreed on this. They came down this morning and said they wanted subsection (f) out.

Mr. BARKLEY. The Senator from Tennessee did not say that the Department agreed to the amendment containing subsection (f).

Mr. TAFT. I thought that was the point of his argument.

Mr. McKELLAR. No; I have not offered subsection (f).

Mr. BARKLEY. I think I can say, without revealing any confidence, for I think that they so testified before the committee, that they would prefer no legislation on this subject at all in this bill. In that regard they agree with the Senator, and they agree with me and with the chairman of the Committee on Finance and other Senators; but, recognizing the fact that this provision is in the bill and must be dealt with, these agencies undertook to cooperate with the committee in drawing a provision which would be workable and which would not retard production. I have this morning conferred with the Chairman of the Maritime Commission, Admiral Land; with the Under Secretary of the Navy, Mr. Forrestal; with the Under Secretary of War, Judge Patterson; with representatives of the Treasury Department, all of them sitting together in conference, and they unanimously are of the opinion that the provision now offered by the Senator from Tennessee on behalf of the committee will not only not retard production but that it is infinitely better than any percentage provision we

might write into the bill or any restriction which would result in fear on the part of contractors that they could not afford to enter into contracts.

Mr. TAFT. Mr. President, I find that executive officials are always willing to have complete and arbitrary power given to them. They feel that they will always be so just that they will satisfy the contractors.

Mr. BARKLEY. I thought the Senator said the departments did not want this.

Mr. TAFT. That is what he told me. Mr. BARKLEY. I do not know whom the Senator means by "he."

Mr. TAFT. I understood the Senator from Tennessee to say that they all agreed they would rather not have anything.

Mr. BARKLEY. The Senator and I agree to that; but we have to have something.

Mr. TAFT. It seems to me the logical way to go about not having a thing is not to put anything about it in the bill. That is the way to obtain the result the Senator from Kentucky wants, and what the Senator from Tennessee wants, to strike out the House provision, and stand by our guns. Then we will not get anything. That is the only way I know of that will result in our not getting anything, which is the result we all desire.

Mr. BARKLEY. \*When the conference report came back it would have something in it which we would have to vote up or down, without any chance of changing it in any respect.

Mr. TAFT. Not if our conferees stand by our position in the matter, as presumably they will.

Mr. President, no man can get a contract with the Government, under this amendment, and have the faintest idea what money he is going to obtain. He will be entirely at the mercy of the Secretary of War and the Secretary of the Navy. As I have said, they think they are going to be so fair that they are going to satisfy the contractors. They will not, because the contractors know that, before this, officials with arbitrary power have exercised that power in an arbitrary way.

Is all of subsection (f) out of the bill. I ask the Senator from Tennessee? If so, there is no provision for making any rules in advance at all, and the bill leaves the whole matter in the arbitrary and individual discretion of the Secretaries, without any rule whatever to determine, in the case of each contract, whether a particular contractor has or has not obtained an excessive profit.

Mr. President, it seems to me clear that the proper way to limit profits is to limit them by an excess-profits tax. I quite agree that we should plug up holes in the excess-profits tax; we should give the Secretary of the Treasury the power to disallow excessive salaries, to disallow bonuses, to disallow excessive reserves, to disallow even excessive advertising costs; we should give him power to eliminate various ways in which money can be spent. But the proper way to deal with the matter finally is to say, "You can earn whatever profit



you can, and we will impose an excess-profits tax and take every cent over and above the amount subject to the normal tax." I think it should possibly be 90 percent instead of 100 percent. The exact percentage must be determined at the time the tax bill is drawn, but it seems to me that that is the way to deal with the profits question. To try to divide it up between individual contracts is unsound, and, in my opinion, would seriously hamper the whole process of making contracts with the United States Government.

I believe the Senate should refuse to suspend the rule in order to insert in the pending bill a general legislative provision covering the entire field of profits on contracts with the United States Government.

Mr. BROOKS. Mr. President, I should like to ask a question of the majority leader. I was very much interested in his statement—and I do not know that I caught it clearly—as to the result of his personal conference this morning with the officials of the War Department, the Navy Department, and the Maritime Commission.

Mr. BARKLEY. I should have included Mr. Donald Nelson, who was not able to be at the conference, but who has talked with me since over the telephone. The Committee on Appropriations, when it had the pending bill before it, had called these gentlemen into conference and had heard their testimony, and they had cooperated in trying to work out an amendment on the basis of the fact that they had to deal with the subject, inasmuch as it was in the House bill.

What was worked out in the committee originally, I think, was known as the Overton-O'Mahoney amendment.

Mr. McKELLAR. It was.

Mr. BARKLEY. With one or two slight modifications, and that is substantially what is left in the amendment. That was agreeable to the various departments, including the War Department, the Navy Department, the Maritime Commission, and the W. P. B.

In view of the fact that the committee had reported not only that amendment but had reported the sliding scale contained in subsection (f), all these departments were disturbed lest, if the amendment were adopted or if a similar provision should be adopted, it would retard the program and the making of contracts. Therefore this conference was held—at their request, I will say, but I gladly arranged it, of course. These gentlemen were all represented. The Senator from Georgia [Mr. GEORGE], the chairman of the Committee on Finance, and the Senator from Tennessee [Mr. McKELLAR], in charge of the pending bill, were also present.

Inquiry was made as to what would be the effect or what would be the attitude of these gentlemen toward the matter if subsection (f), providing the sliding scale, were eliminated and the rest of the amendment were offered. It was the unanimous agreement that that would be much better than attempting in the bill now in the Senate to fix a sliding scale, or any scale.

I may say also that those gentlemen agreed generally with the feeling some of us have, that the whole subject should not have been dealt with in an appropriation bill, especially an urgent appropriation bill, making appropriations for defense activities; but, inasmuch as it is in the bill, no matter what we do here it will still be in the bill, unless the conferees should strike it all out, and they agreed that the wiser course to pursue would be to act on the amendment now pending, and the unanimous judgment is that the amendment as now offered is in the best form possible, in view of the fact that we have to deal with the subject at all.

Mr. BROOKS. I should like to ask a further question: Is it the considered and unanimous opinion of those attending the conference that this amendment as now drawn will not retard war production?

Mr. BARKLEY. No; I would say that there is a lingering fear in the mind of one or two that it may retard, but it is the unanimous view that it will retard less than any suggestion which has been offered, less than the House provision, and less than the amendment as it was originally proposed by the committee.

Mr. BROOKS. I think that is the main question for us all to keep in mind.

Mr. BARKLEY. In that connection I may say that since the conference was held—and it adjourned only in time for us to come to the floor—Mr. Nelson, head of the W. P. B., has called me over the telephone to confirm the judgment that the Navy Department, the War Department, the Maritime Commission all agree with respect to the wisdom of pursuing this course and express a desire that, in the interest of framing a workable provision which would not hinder contracts or retard the program, we agree to this suggestion.

Mr. TAFT. Mr. President, will the Senator from Illinois yield?

Mr. BROOKS. Let me ask one more question before I yield. Is it the thought of these gentlemen, and was it considered in the conference, that if the pending amendment were adopted, something even better might be worked out in conference?

Mr. BARKLEY. Absolutely; I say that unreservedly.

Mr. TAFT. Was it not true, may I ask, that it was on the assurance of the Senator from Kentucky as to what the parliamentary situation was, and what could or could not be done in conference, and relying entirely on the judgment of the Senator from Kentucky as to the parliamentary procedure, that these gentlemen reached the rather extraordinary conclusion of supporting something to which they are opposed?

Mr. BARKLEY. I do not think that question requires an answer, but if it does, the answer is "No." I do not think anyone, even the best parliamentarians here—and I do not claim to be one of them—can ever give any assurance of what a conference committee can or may do. We all know that when all the language after the enacting clause of a bill is stricken out and new language

inserted, with only minor changes in the bill, the conferees have wider authority than if the bill is amended section by section. But in view of the fact that the House adopted a rigid 6 percent provision in the bill it passed, and in view of the fact that we are setting up a rule, if the amendment shall be adopted, to provide for the renegotiation and readjustment of contracts by the heads of the various departments, the conferees would certainly have wider discretion than they would have if we inserted a provision for a sliding scale of from 2 to 10 percent or any other percentage, or the Senator's amendment, which was more or less cursorily discussed.

Mr. TAFT. Except in one respect, that they would not have power to reject it, which we all agree should be done.

Mr. BARKLEY. No; they would not have authority to reject the whole matter and throw it out the door. We agree to that.

Mr. BROOKS. Let me address a question to the Senator from Tennessee having the bill in charge. Is it the purpose and the Senator's thought to have the men representing these departments appear before the conferees for the general purpose of working out the best possible arrangement?

Mr. McKELLAR. All the members of the subcommittee will be conferees on the part of the Senate, if the Presiding Officer follows my request, and I invited all the department representatives to appear before the conference committee.

Mr. BARKLEY. If the Senator will permit me, in the conference this morning, to which I have already referred and which the Senator from Tennessee attended, he assured the representatives of the various departments not only that they would be heard before the conferees but he insisted that they come and cooperate with the conference committee in working out the best possible provision.

Mr. BROOKS. So far as I am concerned, I think that clarifies the situation greatly. There is one thing which I think we must keep in mind, namely, that we are now dealing with an appropriation bill which will provide the implements of war for the men whom this Government has arbitrarily taken from their homes and, under orders, sent from two to eight thousand miles from this country to fight our battles. What I want to be sure of in everything I vote for is that the first consideration shall be the maximum and the speediest production of those implements, so they may get to the men in the field.

Mr. McKELLAR. I believe that is the purpose of every Member of the Senate.

Mr. BROOKS. With the understanding we now have I believe this amendment is acceptable to those who participated in the discussion. It was not acceptable in the original form before the committee. But if this is acceptable with the idea that the department officials heretofore referred to will be called before the conferees, and the conferees have the same purpose animating the majority of the Senate, namely, to expedite production of war materials, then I think we are carrying out that purpose.



Mr. WHITE. Mr. President, I am not a member of the subcommittee which heard this matter discussed in detail, but I am not satisfied to vote without saying a brief word about the situation. I think we are all agreed that there are two objectives in mind. First, we want to give every possible encouragement to the largest possible output of the factories of this country of ours in the war effort. Second, I think we want to be assured, so far as we can be by legislative action, that there shall be no unconscionable profit made by those who are engaged in this war effort.

Mr. McKELLAR. The Senator has splendidly stated the objectives.

Mr. WHITE. With those objectives we are all in complete agreement. The way to the attainment of those ends is not always clear. I find that I cannot cast a vote which entirely satisfies me. I do not like to deal with the question of profit in an appropriation bill. I think it would be infinitely sounder procedure to proceed as the Senator from Ohio [Mr. TAFT] has suggested, and to reach these profits by an excess-profits tax by a bill reported by the Finance Committee of the Senate, and considered on its merits as a tax proposal designed to bring into the Treasury of the United States any amount over a legitimate and proper profit; but Mr. President, that is not the situation which confronts us.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. McKELLAR. Action on this proposal will not interfere in the slightest degree with the passage of an excess-profits measure. I wish to say to the Senator that I am not only 100 percent for such an act, but I have been talking to my distinguished friend who sits beside me, the Senator from Georgia [Mr. GEORGE] for months about getting such a measure before the Senate.

Mr. WHITE. Mr. President, I was about to say that I am confronted by a fact rather than by a theory. I am reminded of a story I heard my grandfather tell many times. He said he once had a discussion with Louis Agassiz, the great naturalist of Harvard College, as to the size of trout found in the waters of the Rangeley Lakes, Maine, and that Agassiz contended that the eastern brook trout never grew to more than 3 pounds in weight.

My grandfather at one time thereafter sent Louis Agassiz a brook trout weighing 7 pounds. Agassiz acknowledged its receipt in these words:

The theory of a lifetime kicked to death by a stubborn fact.

That is what I am confronted with here—a stubborn fact. I do not like the House provision with respect to the question of profits. I am reluctant to see the bill go to conference with only that amendment in conference, for I fear the consequence may be, because of the parliamentary situation, substantially what the Senator from Maryland [Mr. TYNINGS] has suggested.

The amendment which the committee has presented, and which I assume will be agreed to, is in a form I do not like. I think it is rather loose in its phraseology.

I do not know who I am criticizing, but I offer the criticism. I think it is indefinite in its terms, and I think it is conferring much arbitrary power upon the executive arm of the Government; but I feel safer to have the bill go to conference with the pending Senate amendment in it than to have the legislation go to conference with only the House provision in it.

Mr. President, notwithstanding my aversion to legislation on appropriation bills, in this instance I shall vote to suspend the rule so that this provision may be considered by the Senate. While I do not like it in its present terms, I have high hope that the subcommittee serving as members of the conference committee will work out a provision without the infirmities of this draft, which will do substantial justice as between the Government of the United States and the people of the United States and those who may hold contracts.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee to suspend paragraph 4 of rule XVI in order that he may offer his amendment.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Doxey	Murray
Andrews	George	Nye
Austin	Green	O'Mahoney
Bailey	Guffey	Overton
Ball	Gurney	Pepper
Bankhead	Hayden	Radcliffe
Barkley	Herring	Reed
Bone	Hill	Russell
Brewster	Holman	Schwartz
Brooks	Johnson, Calif.	Shipstead
Brown	Johnson, Colo.	Stewart
Bulow	Kilgore	Taft
Bunker	Langer	Thomas, Idaho
Burton	Lucas	Thomas, Okla.
Capper	McCarran	Truman
Caraway	McFarland	Tydings
Clark, Idaho	McKellar	Van Nuys
Clark, Mo.	McNary	Wallgren
Danaher	Maybank	White
Davis	Mead	Wiley
Downey	Millikin	Willis

The PRESIDING OFFICER. Sixty-three Senators having answered to their names, a quorum is present.

#### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 6483) to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, and it was signed by the Vice President.

#### SIXTH SUPPLEMENTAL DEFENSE APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. Mc-

KELLAR] to suspend paragraph 4 of rule XVI.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCARRAN. Mr. President, will the Chair kindly state the question now pending?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee to suspend paragraph 4 of rule XVI for the purpose of offering the amendment of the committee to the appropriation bill. On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. OVERTON (when Mr. ELLENDER's name was called). The junior Senator from Louisiana is unavoidably absent. If present, he would vote "yea."

Mr. McNARY (when Mr. LA FOLLETTE's name was called). The senior Senator from Wisconsin is unavoidably absent. If he were present, he would vote "yea."

Mr. McNARY (when Mr. NORRIS' name was called). The senior Senator from Nebraska is absent because of illness. If he were present, he would vote "yea."

Mr. DANAHER (when Mr. TOBEY's name was called). The junior Senator from New Hampshire is absent on important public business. Were he here, he would vote "nay."

The roll call was concluded.

Mr. THOMAS of Oklahoma. The junior Senator from Oklahoma [Mr. LEE] is absent on official business. Were he present, he would vote "yea."

Mr. McKELLAR. The Senator from Virginia [Mr. GLASS] is necessarily detained from the Senate today. If he were present, he would vote "yea."

The Senator from Texas [Mr. CONNALLY] is necessarily detained from the Senate. If he were present, he would vote "yea."

Mr. BARKLEY. I announce the unavoidable absence of my colleague [Mr. CHANDLER]. If he were present, he would vote "yea."

Mr. HILL. I announce that the Senator from New Jersey [Mr. SMATHERS] is absent because of illness in his family. If present and voting, he would vote "yea."

The Senator from New Mexico [Mr. HATCH] and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness. I am advised that if present and voting they would vote "yea."

The Senator from Mississippi [Mr. BILBO], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senators from Delaware [Mr. HUGHES and Mr. TUNNELL], the Senator from North Carolina [Mr. REYNOLDS], the Senator from West Virginia [Mr. ROSIER], the Senator from Utah [Mr. THOMAS], the Senator from New York [Mr. WAGNER], and the Senator from Massachusetts [Mr. WALSH] are necessarily absent. I am advised that if present and voting these Senators would vote "yea."

The Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr.



GILLETTE], the Senator from Connecticut [Mr. MALONEY], the Senator from Utah [Mr. MURDOCK], the Senator from Texas [Mr. O'DANIEL], the Senator from South Carolina [Mr. SMITH], and the Senator from Arkansas [Mr. SPENCER] are unavoidably absent. I am not advised how these Senators would vote.

The Senator from Montana [Mr. WHEELER] is holding hearings in the West on Indian matters. I am advised that if present and voting he would vote "yea."

Mr. AUSTIN. The Senator from New Jersey [Mr. BARBOUR] is absent on public business. If present, he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is absent as a result of an injury and illness. He has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Massachusetts [Mr. LODGE] is necessarily absent. He has a general pair with the Senator from Virginia [Mr. GLASS].

Mr. McNARY. The Senator from Michigan [Mr. VANDENBERG] and the Senator from Nebraska [Mr. BUTLER] are necessarily absent.

The result was announced—yeas 51, nays 10, as follows:

#### YEAS—51

Andrews	George	Nye
Austin	Green	O'Mahoney
Bailey	Guffey	Overton
Bankhead	Hayden	Pepper
Barkley	Herring	Radcliffe
Bone	Hill	Russell
Brewster	Holman	Schwartz
Brooks	Johnson, Colo.	Stewart
Bulow	Langer	Thomas, Idaho
Bunker	Maybank	Thomas, Okla.
Burton	McCarran	Truman
Capper	McFarland	Tydings
Caraway	McKellar	Van Nuys
Clark, Idaho	McNary	Wallgren
Clark, Mo.	Mead	White
Downey	Millikin	Wiley
Doxey	Murray	Willis

#### NAYS—10

Aiken	Davis	Shipstead
Ball	Gurney	Taft
Brown	Lucas	
Danaher	Reed	

#### NOT VOTING—35

Barbour	Hatch	Rosler
Blibo	Hughes	Smathers
Bridges	Johnson, Calif.	Smith
Butler	Kilgore	Spencer
Byrd	La Follette	Thomas, Utah
Chandler	Lee	Tobey
Chavez	Lodge	Tunnell
Connally	Maloney	Vandenberg
Ellender	Murdoch	Wagner
Gerry	Norris	Walsh
Gillette	O'Daniel	Wheeler
Glass	Reynolds	

The PRESIDING OFFICER. Two-thirds of the Senators present having voted in the affirmative, the motion of the Senator from Tennessee [Mr. McKELLAR] to suspend paragraph 4 of rule XVI is agreed to, and the amendment is in order.

Mr. McKELLAR. Mr. President, I now offer the modified amendment which I send to the desk.

The PRESIDING OFFICER. The amendment, as modified, will be stated for the information of the Senate.

The Chief Clerk proceeded to read the amendment.

Mr. THOMAS of Oklahoma. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. THOMAS of Oklahoma. I make the point of order that the clerk is not reading the amendment as it is now before the Senate. The rule has just been suspended in order to enable the Senate to consider a definite, specific amendment; and that amendment is not being read to the Senate. When the amendment shall have been read, the Senate may do as it pleases with the amendment; but first the amendment must be read to the Senate in full. The whole amendment, as ordered by the committee, is now before the Senate for such consideration and such action as the Senate may see fit to take.

The PRESIDING OFFICER. The amendment should be read as set forth in the notice.

The Chief Clerk read as follows:

SEC. 403. (a) For the purposes of this section, the term "Department" means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term "Secretary" means the Chairman of such Commission, and the terms "renegotiate" and "renegotiation" include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d), (e), and (f) of this section, the term "contract" includes a subcontract and the term "contractor" includes a subcontractor.

(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period when the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is deemed by the Secretary to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period when the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is deemed by the Secretary to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department, (1) to require the contractor to renegotiate the contract price, (2) to withhold from the contractor any amount of the contract price which is deemed by the Secretary to represent excessive profits, and (3) in case any amount of the contract price deemed by the Secretary to represent excessive profits shall have been paid to the contractor, to recover such amount from such contractor. Such contractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover

such amount on behalf of the United States. All amounts recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. No suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor pursuant to the provisions of this subsection. This subsection shall be applicable to all contracts hereafter made and to all contracts heretofore made, whether or not such contracts contain a renegotiation or recapture clause, provided (in the case of contracts heretofore made) that final payment pursuant to such contract has not been made prior to the date of enactment of this act.

(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any other costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any other excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable.

(e) In addition to the powers conferred by existing law, the Secretary of each department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount of \$500,000 or more, statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Such statements shall be made under oath, except for such interim reports as may be required by the Secretary. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than 2 years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the department holding the largest amount of such contracts with such contractor.

(f) Subject to the provisions of this section, the Secretary of each department, separately or jointly with the Secretary of one or both of the other departments, shall prescribe regulations which will, to the fullest extent practicable, indicate in advance the profits on contracts which will be deemed to be excessive for the purposes of this section. In prescribing such regulations, there shall be taken into consideration the amount and character of the personal services, equipment, material, and working capital, and the length of time likely to be required for performing various contracts and such other factors as are deemed appropriate by the Secretary or Secretaries prescribing such regulations. In any event, any profits on any contract in excess of the amount set out in the following schedule of maximum profit rates shall be deemed to be excessive for the purposes of this section unless the Secretary of the department concerned makes a specific determination that a greater profit is not excessive in the case of such contract. A report of any such determination shall be made to the



Congress within 30 days from the date thereof.

#### SCHEDULE OF MAXIMUM PROFIT RATES

Ten percent of so much of the contract price as does not exceed \$100,000; plus

Eight percent of so much of the contract price as exceeds \$100,000 but does not exceed \$500,000; plus

Six percent of so much of the contract price as exceeds \$500,000 but does not exceed \$1,000,000; plus

Five percent of so much of the contract price as exceeds \$1,000,000 but does not exceed \$5,000,000; plus

Four percent of so much of the contract price as exceeds \$5,000,000 but does not exceed \$20,000,000; plus

Three percent of so much of the contract price as exceeds \$20,000,000 but does not exceed \$50,000,000; plus

Two percent of so much of the contract price as exceeds \$50,000,000.

In the case of a contract entered into on a cost-plus basis, the costs of performing the contract shall be included in determining the contract price for the purposes of this subsection. The foregoing provisions of this subsection shall not be construed to mean that the Secretary of any Department may not deem profits equal to or less than the amount set out in the foregoing schedule to be excessive profits for the purposes of this section.

(g) The authority and discretion herein conferred upon the Secretary of each Department may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

(h) If any provision of this section or the application thereof to any person or circumstances is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. McKELLAR. Mr. President, I move to perfect the amendment by striking out subsection (f), beginning in line 13, on page 5, and ending at the end of line 5, on page 7.

Mr. THOMAS of Oklahoma. Mr. President, I think perhaps a brief statement should be made before the vote is taken on this motion.

The other body inserted section 402A. That was a criticism of the War Department, the Navy Department, and the Maritime Commission because, had there been no complaint about excess profits, there would have been no occasion for such a section in the House bill. So the House action in placing in the bill a 6-percent limitation upon profits in defense contracts is a criticism of the three departments charged with making these contracts.

The departments do not like to be criticized. The departments did not want this section in the bill in the first place. They want the section stricken out. Now the Senate has stricken out section 402A, and the question arises whether the Senate will place in the bill something to take the place of the section stricken out by the Senate.

Mr. President, when this matter came before the Subcommittee on Appropriations it occasioned a few days' discussion. The departments wanted nothing placed in the bill instead of the House provision; the departments wanted the Senate to strike this provision out and place nothing in its stead.

It was testified before the committee that they wanted nothing done; it was testified before the committee that mistakes have been made; it was admitted before the committee that excessive profits have been made, were being made, and would continue to be made, upon contracts already in existence. On one contract, of between forty and fifty million dollars, it was admitted that a profit of about \$15,000,000 was due under the contract. It was stated before the committee that the departments preferred to set up their own organization to re-audit these contracts and scale them down. They preferred such a system than to have the Congress adopt a proposal for adjustment according to some schedule.

That did not suit me. I was opposed to 6 percent. That is too low on small contracts and entirely too high on the larger contracts. On a hundred-dollar contract a 6-percent profit would be \$6; on a thousand-dollar contract a 6-percent profit would be \$60; on a \$10,000 contract a 6-percent profit would be \$600. Contractors in the smaller brackets cannot afford to come here and submit bids for a contract and go through the process of making a contract and all the red tape that is necessary on a 6-percent-profit basis. In the larger brackets, however, 6 percent, in my opinion, is entirely too high. On a hundred-million-dollar contract 6-percent profit would be \$6,000,000; on a \$500,000,000 contract a 6-percent profit would be \$30,000,000.

Mr. President, because 6 percent is too small in the lower brackets, in my opinion, and because 6 percent is too high in the larger brackets, I felt impelled to submit to the committee a sliding scale commencing at \$100,000 and on such a contract providing for a larger fee than 6 percent. So I suggested to the committee that on a contract up to \$100,000 there be fixed a maximum fee of 10 percent, which would be \$10,000. A profit of \$10,000 would not necessarily have to be allowed; that would be the maximum amount which could be allowed on a contract of that size.

On a \$1,000,000 contract the maximum fee that could be allowed under the schedule would be \$72,000.

On a hundred-million-dollar contract the maximum fee to be allowed under this provision would be \$1,772,000.

Then, when it comes to the larger contracts, the profit is scaled down to approximately 2 percent. On the larger contracts the maximum fee is 2.1 percent, and on the smaller contracts it runs up as high as 10 percent.

In the committee the vote stood 8 for the schedule and 8 against the schedule. This schedule was in the amendment that was presented to the committee; it took a majority vote to get it out; and the vote being a tie, the motion did not prevail. So the amendment was reported to the Senate in the form the subcommittee agreed upon, a sliding scale ranging from 10 percent on the small contracts down to 2.1 percent on the very large contracts.

Mr. President, I realize that this entire question must go to conference. After the amendment was printed I had a con-

ference with the representatives of the War Department, and, as I recall, for the War Production Board. The attorneys suggested some amendments which appealed to me, and I promised to offer the amendments submitted by them to subsection (f).

So I propose to offer an amendment to subsection (f) before the vote shall come on the motion to strike it out, for we have the right to perfect an amendment proposed to be stricken out.

On page 6, in line 22 of the amendment, after the figures "\$50,000,000", I desire to offer an amendment, which I will ask the clerk to read.

The PRESIDING OFFICER. The clerk will read as requested.

The CHIEF CLERK. In the amendment of Mr. McKELLAR, on page 6, at the end of line 22, it is proposed to strike out the period, insert a semicolon, and the following: "Provided, That in the renegotiation of two or more contracts with any person, firm, association, or corporation the secretaries of the respective departments, as herein defined, shall have authority to consolidate such contracts with respect to profits to the end that such consolidated contract may come within the provisions of said schedule of maximum profit rates: *Provided further*, That the determination of costs and profits allowed by the secretaries of the respective departments shall be final: *And provided further*, That insofar as it is practicable, the determination of profits shall be made for the fiscal year of the contractor."

Mr. THOMAS of Oklahoma. Mr. President, there are two provisions in that amendment which is submitted at the request of the attorneys for the consolidated departments. The first is this: The Government has numerous contracts with various large concerns, for example, the General Electric Co. The Government may have with them a thousand contracts for various items which they produce. So with Chrysler, with Ford, with General Motors, and other corporations the Government may have a great number of contracts. On some of these contracts the percentage of profit might be nil, on others the percentage might be very small, while on others it might be considerably larger. So the attorneys think that, in a perfecting amendment affecting profits, they should be allowed to consolidate all their contracts during a fiscal year, figure the profit on the whole group of contracts during the fiscal year, and then adjust such profits within the sliding scale if such is adopted. I thought that such proposal was reasonable, and I agreed to offer the amendment.

The second proposal is that some of the large concerns do not have their fiscal year run concurrently with the Government's fiscal year. The Government fiscal year begins on the first day of July and ends on the 30th day of June; but some of the large corporations have their fiscal year begin on another date, and, of course, end at another time. So, inasmuch as their books are set up to keep track of their business according to their fiscal year as determined by themselves, the attorneys for the Government sug-



gested that the Government, in adjudicating these contracts, should take their books on the fiscal year as determined by the contractors themselves. That would simplify the matter and make it easy for both sides to come to some determination.

Not knowing whether or not subsection (f) is to be stricken, I do suggest, for the consideration of the Senate, that the amendment should be adopted, then the motion will come later on whether or not we should strike out the entire subsection as amended. I submit that amendment first.

Mr. O'MAHONEY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. As I recall what occurred on the floor of the Senate, the Senator from Tennessee, chairman of the subcommittee, indicated earlier in the day that it was his intention to submit his motion for suspension of the rule, and then to submit a modified amendment, the modification being the elimination from the amendment of subsection (f). After the rule was suspended the Senator from Tennessee made his motion. From a parliamentary view, as I understand, he was not authorized to offer the modified amendment, inasmuch as the notice to suspend was given with respect to a particular amendment which included subsection (f).

The vote upon the suspension of the rule, however, was taken with the understanding on the part of a great many Senators that the whole question of perfecting the amendment should be delegated to the conference. It was announced by the Senator from Tennessee that he would ask for the appointment of all the members of the subcommittee as conferees. It was announced that at a conference this morning the majority leader gave the representatives of the War and Navy Departments, the Maritime Commission, and the War Production Board, to understand that they would be invited to appear before the conference committee. That being the case, when the vote upon the motion to suspend the rule was taken, the members of the Senate were of the opinion that the amendment would not be perfected upon the floor, that no attempt would be made to perfect it upon the floor, that subsection (f) would be eliminated, and that the whole matter would thereby be transferred to the conference committee.

My parliamentary inquiry is whether it is now within the rules to move to reconsider the vote whereby the rule was suspended, and if so, when such a motion may be made.

Mr. McKELLAR. If the Senator will yield to me for a moment, it is my purpose to carry out the plan which was submitted this morning, first in the way of a unanimous-consent request, and then by way of a motion, to move at this time to strike out subsection (f) of the amendment, and let the Senate vote on that. I think there will be no necessity whatsoever for a motion to reconsider. So, if I am in order, if the Senator will yield to me for that purpose, I move to strike out subsection (f).

Mr. O'MAHONEY. My inquiry was made because the Senator from Oklahoma has offered an amendment intended to perfect the amendment.

Mr. McKELLAR. He merely wanted to perfect it, and I see no reason why the Senate could not give him permission to perfect the amendment by the addition of the matter he presented to the Senate, and then vote on my motion to strike it out. I think the whole parliamentary difficulty could be settled in that way.

Mr. O'MAHONEY. If I may have an answer to my query, I will say to the Senator that my purpose in presenting the query is to have it clearly understood that in the event we are going to spend much time now in attempting to perfect the amendment, I may feel obligated to make a motion to reconsider the vote whereby the rule was suspended.

The PRESIDING OFFICER. The Chair holds that any Senator voting in the affirmative, or any Senator who did not vote at all, may offer a motion to reconsider the vote by which the rule was suspended.

Mr. O'MAHONEY. At any time during this day?

The PRESIDING OFFICER. At any time during this calendar day, or within the next 2 days.

Mr. McKELLAR. I do not think it will be necessary to move to reconsider.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. A two-thirds vote is required to suspend a rule. What vote would be required to reconsider the vote by which the rule was suspended?

The PRESIDING OFFICER. A majority vote would be required to reconsider.

Mr. McKELLAR. I wish to suggest to the Senator from Oklahoma that he ask leave to perfect the amendment known as subsection (f) and let that be done. I see no reason why it should not be done. Then I can move, as I shall, to strike out the entire subsection (f) as amended.

Mr. THOMAS of Oklahoma. Mr. President, no issue is raised about the parliamentary situation. We all knew, or should have known, that the amendment as offered by the committee would be presented if the rule was suspended, that no one Senator had a right to modify that amendment prior to its being presented to the Senate. After it was presented to the Senate, no one Senator has a right to modify it. Whatever is done must be done by the Senate itself.

Mr. McKELLAR. I understood that perfectly, and that is what I was trying to do.

Mr. THOMAS of Oklahoma. In order to amend the amendment offered by the committee, affirmative action by the Senate is required. I submitted my perfecting amendment at the request of the attorneys, and there were some others present. Having given the Senate the reason for the amendment—and it occurred to me that the amendment was not only germane, but entirely sound—I agreed to offer the amendment in the Senate at the proper time.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCARRAN. I take it that the amendment just offered to subsection (f) would contemplate permitting the secretaries of the respective departments to take into consideration all the contracts which one individual had undertaken during a period of time.

Mr. THOMAS of Oklahoma. One individual, one firm, one association, or one corporation.

Mr. McCARRAN. So that if a loss had been sustained in one or more contracts, the loss might be considered in computing the profits?

Mr. THOMAS of Oklahoma. That is exactly the idea, and in the renegotiation of the contract of the concern, company, or whatever it may be, the officials could take into consideration all contracts, and consolidate them for the purpose of adjusting the profits. That was the first proposal. The second was to take the fiscal year as determined by the contractor as the basis for such adjustment.

Mr. LEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEE. What motion is before the Senate?

The PRESIDING OFFICER. The motion of the senior Senator from Oklahoma [Mr. THOMAS] to amend the committee amendment.

Mr. McKELLAR. Mr. President, I have moved to strike out subsection (f) from the amendment, and that is the question, I understand.

The PRESIDING OFFICER. The Senator from Oklahoma offered a perfecting amendment.

Mr. McKELLAR. Very well.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Would the adoption of a perfecting amendment now have any effect upon the nature of the action the Senate would have to take to reconsider the vote by which the amendment is before the Senate?

The PRESIDING OFFICER. The Chair would hold that it would.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. The Senator from Tennessee has moved to strike out subsection (f). The Chair has held that the Senator from Oklahoma can offer a perfecting amendment to that section before we finally vote on whether it shall be stricken. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. So that even if the amendment of the Senator from Oklahoma should be agreed to, the Senate could then vote on the original motion of the Senator from Tennessee to strike out subsection (f) as amended.

Mr. McKELLAR. That is correct.

The PRESIDING OFFICER. The question will recur on the question to strike out.



The question now is on the amendment of the Senator from Oklahoma to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, the motion now is pending to strike out subsection (f), which would mean to strike out the subsection as amended. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. THOMAS of Oklahoma. I ask unanimous consent that subsection (f) as amended be printed in full in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the subsection as amended was ordered to be printed in the RECORD, as follows:

(f) Subject to the provisions of this section, the Secretary of each Department, separately or jointly with the Secretary of one or both of the other Departments, shall prescribe regulations which will, to the fullest extent practicable, indicate in advance the profits on contracts which will be deemed to be excessive for the purposes of this section. In prescribing such regulations, there shall be taken into consideration the amount and character of the personal services, equipment, material, and working capital, and the length of time likely to be required for performing various contracts and such other factors as are deemed appropriate by the Secretary or Secretaries prescribing such regulations. In any event, any profits on any contract in excess of the amount set out in the following schedule of maximum profit rates shall be deemed to be excessive for the purposes of this section unless the Secretary of the Department concerned makes a specific determination that a greater profit is not excessive in the case of such contract. A report of any such determination shall be made to the Congress within 30 days from the date thereof.

#### SCHEDULE OF MAXIMUM PROFIT RATES

Ten percent of so much of the contract price as does not exceed \$100,000; plus

Eight percent of so much of the contract price as exceeds \$100,000 but does not exceed \$500,000; plus

Six percent of so much of the contract price as exceeds \$500,000 but does not exceed \$1,000,000; plus

Five percent of so much of the contract price as exceeds \$1,000,000 but does not exceed \$5,000,000; plus

Four percent of so much of the contract price as exceeds \$5,000,000 but does not exceed \$20,000,000; plus

Three percent of so much of the contract price as exceeds \$20,000,000 but does not exceed \$50,000,000; plus

Two percent of so much of the contract price as exceeds \$50,000,000;

*Provided*, That in the renegotiation of two or more contracts with any person, firm, association, or corporation, the Secretaries of the respective Departments, as herein defined, shall have authority to consolidate such contracts with respect to profits to the end that such consolidated contract may come within the provisions of said Schedule of Maximum Profit Rates: *Provided further*, That the determination of costs and profits allowed by the Secretaries of the respective Departments shall be final: *And provided further*, That insofar as is practicable the determination of profits shall be made for the fiscal year of the contractor.

In the case of a contract entered into on a cost-plus basis, the costs of performing the contract shall be included in determining the contract price for the purposes of this sub-

section. The foregoing provisions of this subsection shall not be construed to mean that the Secretary of any Department may not deem profits equal to or less than the amount set out in the foregoing schedule to be excessive profits for the purposes of this section.

Mr. McKELLAR. Let us have a vote.

Mr. LEE obtained the floor.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. PEPPER. I am afraid I did not understand the respect in which the senior Senator from Oklahoma altered subsection (f) as it appeared in the McKellar amendment.

Mr. THOMAS of Oklahoma. I merely added two perfecting amendments. One provided that in the renegotiation of contracts, whether the contractor were a person, a firm, an association, or a corporation, the Government and the contractor could take into consideration all contracts the contractor had and renegotiate and consider all the contracts. On some contracts there may be losses and on some there may be excess profits, but they could consider the whole group as one in the adjustment of the profits. That was the first proposal. The second proposal was to permit of the adjusting of the contract or contracts on the basis of the contractor's fiscal year, which may be on different dates from the Government's fiscal year. That is in the interest of bookkeeping and efficiency in the adjustment of contracts.

Mr. HILL. Mr. President—

The PRESIDING OFFICER (Mr. DOXEY in the chair). Does the Senator from Oklahoma yield to the Senator from Alabama?

Mr. THOMAS of Oklahoma. I yield.

Mr. HILL. As I understand, the amendment proposed by the Senator from Oklahoma does not undertake to fix profits. The Senator's amendment simply fixes the ceilings, and the profits cannot go beyond these ceilings. Is that correct?

Mr. THOMAS of Oklahoma. Under the amendment the schedule is a maximum schedule beyond which they cannot go save in one particular case. If for some good cause it could be shown that the maximum is not high enough, especially on a very small contract, for illustration, then the Secretary having the responsibility of adjusting the contract can make a statement and give some reason which is good to him, and then he can give the contractor a larger percentage than the schedule provides.

Mr. HILL. By taking into consideration other contracts, or on the one particular contract in question?

Mr. THOMAS of Oklahoma. Under the amendment, if a concern has only one contract, then only the one contract is taken into consideration. If the concern has ten or twenty or a thousand, as some have, the whole group of contracts is taken into consideration.

Mr. HILL. This is the thought I had in mind. We hear much about ceilings on rents, ceilings on wages, and ceilings on prices and on practically everything. What the Senator's amendment basically does is to put a ceiling on profits.

Mr. THOMAS of Oklahoma. Yes; the Senator is correct.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I wish to ask the senior Senator from Oklahoma a question. As I understand the amendment he has offered to subsection (f), and which has been agreed to, if any concern had three contracts which it had entered into separately with any department, and on two of those contracts there was no profit at all but a loss, then the appropriate department could take all three of the contracts and renegotiate them so as to provide a profit somewhere between 2 and 10 percent on the three contracts, whereas, if each one separately was considered on its own basis, two of them might sustain a loss and one of them might sustain a profit. Is that correct?

Mr. THOMAS of Oklahoma. Yes; the Senator is correct.

Mr. BARKLEY. So, under the amendment as it now stands, although a concern had three contracts separately with a department, and they were negotiated as a group and renegotiated as a group, and there was a loss in two cases and a profit in another, the department could so readjust the contracts as to provide a profit on all three, notwithstanding that separately there would have been a loss?

Mr. THOMAS of Oklahoma. The allowance of the maximum ceiling on the one might save the contractor from loss on the three.

Mr. BARKLEY. Yes; between the 2 and the 10 percent. The department under the amendment as it now stands could revive the profit situation in two contracts in which there was a loss, and provide somewhere between the minimum and maximum profit on all three.

Mr. THOMAS of Oklahoma. For good reasons, with a certificate, I understand the department handling the contracts could make such an adjustment.

Mr. BARKLEY. And the result would be that in many cases it might result in an excess profit on one contract where there was a profit in order to make up for losses on the other two.

Mr. LEE. Mr. President, has the Senator from Tennessee made his motion to strike out subsection (f), as amended?

Mr. McKELLAR. The motion has already been made.

Mr. LEE. That motion is pending?

Mr. McKELLAR. Yes.

Mr. LEE. So I understood.

Mr. President, it has been said that one cannot pay for patriotism. That is true, but we should do everything we can to keep from penalizing patriotism as much as possible. When a soldier is drafted he quits whatever job he is working at, and whatever salary he is drawing, and takes an economic loss in order to serve his country. In the World War the average period of service of a soldier was 16 months. Assuming that the soldier was drawing a daily wage of \$7 a day, when he quit that wage and went to work for a dollar a day he took an economic loss in the average period of service of over \$2,000. Those are simply cold figures. We penalized him over \$2,000 for the



privilege of being patriotic. We did not intend to do it, but it was the result of circumstances which surrounded that war. We placed a penalty on his patriotism of over \$2,000 even if he were working at day wages. In addition to that there are those many other soldiers who left better jobs than \$7 a day and they took a greater economic loss.

War is a community effort. When we are engaged in war we as a Nation are not creating wealth; we are destroying wealth. Every time one of our big guns explodes thousands of dollars goes up in smoke. Only when a nation is engaged in peacetime pursuits are we creating wealth. Therefore, only when we are creating wealth should we rely upon the profit incentive as a motive to cause men to act. In connection with the pending measure we are still clinging to the profit incentive in order to get a production of arms. I shall oppose the motion to strike subsection (f) which places a ceiling on profits, although I do not believe we should provide for any profit at all. The reason I shall oppose the motion to strike that provision is that I hope when the tax bill comes along we can place such a stiff tax on profits that we can recover all of them.

Mr. President, if any man comes out of the war with 1 percent profit then someone else has paid double. We are not making profits. We are not creating wealth. We are destroying wealth. Therefore, allowing any profit at all is allowing some men to profit while others are paying double. If every individual in the United States does not come out of this war worth less than he had when he went into it, then other individuals somewhere are bearing more than their fair share of war.

Mr. President, I served in the World War as a buck private, an assistant buck private in the rear ranks. I know what it cost me economically to serve. I am proud I served. I was proud then. I would be ashamed if I had not served. I think that is the general spirit of all the soldiers today. But when we try to get manufacturers to manufacture arms by holding up in front of them the incentive of profit, then we are placing them under one incentive while we are placing the soldier under another. The soldier is under a mandatory order. Furthermore, we depend upon patriotism to motivate the soldier. We depend upon law to raise an army. But in this measure we are clinging to the profit incentive to get manufacturers to produce arms.

Mr. President, 2-percent profit sounds like but a little profit, but when we are figuring the cost we are figuring the depreciation, breakage, rental, payment of services for management; we are figuring everything that goes into the cost of manufacturing goods. Then why should we provide for any profit at all?

I realize that it has been argued that we should not attach this provision to the appropriation bill because any profit ceiling is unworkable. I do not think so. I recognize that it is difficult, but I do not believe it is unworkable. In such an amendment as the pending one we provide a blueprint of our policy, and within

the scope of the amendment I believe that the men charged with executing this law can work it out, and we do have something here which will limit the ceiling on profits.

Mr. President, when I returned from France after the other war I was very much shocked and surprised to learn that some people in this country had been making money while we were serving in France. The people of this country were very much shocked at what was found by an investigating committee appointed by the Senate, which did a very fine piece of work in uncovering the unconscionable profits which were made out of that war. I believe that the chairman of that committee stated that altogether 23,000 millionaires had been made out of a war which cost the average person of this country blood and money. That, Mr. President, is not right. If I interpret the feelings of the people correctly, the moral revulsion which swept over America was not so much one of pacifism as it was a determination that never again should some persons profit while others sacrificed.

Mr. President, we are now facing the same situation which a Congress faced some 25 years ago. We are at the beginning of what looks like a long and bloody war. Yet we are told that we should not place any profit ceiling on an appropriation bill.

When the men got out of the service in the last war following the armistice they organized into different ex-service organizations—the Veterans of Foreign Wars, the Disabled Veterans, the American Legion, and other ex-service organizations and their auxiliaries. There was one thing on which every ex-service man agreed, and that was that if we should have another war Congress should enact a universal service law. For awhile we called it a "universal draft" law.

That meant that everything which was necessary to prosecute a war should be placed on the same basis. If we draft men we should draft money. If we draft men we should draft materials. If we draft men we should draft factories. If we draft men we should draft resources. Everything should be on the same basis. Every person should be subject to the same mandate of service. Every dollar and every dime of resources should be subject to the use of the Government in prosecuting the war. Every natural resource and every wheel of machinery should be subject to draft in case of war.

That is the program of the men who fought the last war. If we had such a program today we should not be divided among ourselves on whether one person is carrying a greater burden than another. We should not be divided on the question of labor. We should not be divided on the question of profits. There would be no profits.

Mr. President, the only fair program is to draft everything we need. We need money, men, and materials; and they all ought to be subject to the power of the Government in prosecuting the war.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. LEE. I yield to the Senator from North Carolina.

Mr. REYNOLDS. I have listened with much interest and appreciation to all the able Senator from Oklahoma has said. My ideas are in a large sense thoroughly in accord with his. I am unable to understand why we draft men for the Army—and have but recently agreed to pay them \$42 a month, not to die, but to serve—and at the same time we permit certain persons in this country to earn millions in profits from the war.

I have been somewhat disturbed recently in regard to the action of labor. I have always been known as a friend of labor. I have always been labor's friend. I am now; but at the same time I am rather disturbed when I observe, through the columns of the press from day to day, that there is a strike here and a strike there. On the other hand, for some reason I cannot greatly blame the employees, particularly when I observe, by way of the committee hearings and through the columns of the press, that manufacturers of implements of death are becoming millionaires overnight. One company I recently read about became so conscience-stricken that it actually turned back to the Government voluntarily profits of millions of dollars which it had made, about which the Government knew nothing.

I want an opportunity to restrict labor when it is necessary for the advancement of our offensive program. I want an opportunity to limit the profits of the millionaires who are being bred overnight, and are springing up everywhere like mushrooms in the desert.

The Senator has just said that he intends to vote with the able Senator from Tennessee [Mr. McKellar] on his motion to strike—

Mr. LEE. No.

Mr. REYNOLDS. Did I misunderstand the Senator?

Mr. LEE. I said that I would oppose the motion of the senior Senator from Tennessee [Mr. McKellar] to strike from the bill the profit-limitation provision. I am supporting the subcommittee amendment to keep the profit limitation in the bill.

Mr. REYNOLDS. I humbly beg the Senator's pardon. I was agreeing with all he said in regard to profits and service, but I could not understand, if the Senator believes in the limitation of profits, how that objective was to be reached by the elimination of this subsection. Let me make this statement to the Senator, because the probabilities are that I shall have nothing further to say about the whole matter until we vote on it: I want an opportunity to restrain labor when I feel it is necessary; and I want an opportunity to restrict capital when I feel it is necessary. However, I do not want to vote to restrict capital and profits unless I have an opportunity to vote to restrict labor when I feel it is necessary. I am seeking an opportunity to vote upon both those subjects at the same time. I do not want to find myself voting in one direction in relation to capital and then find that I shall not have an opportunity to vote in reference to labor.

In conclusion, I thank the Senator very much for having provided me with a



portion of his time. I apologize again for having misconstrued his remarks. I was merely wondering how I could aid in the restriction of labor by striking out this subsection.

Mr. LEE. I think I did say that I shall support the committee amendment, but I did not have in mind the motion of the Senator from Tennessee.

Mr. REYNOLDS. I thought the able Senator had in mind supporting the amendment of the Senator from Tennessee, which amendment is to strike out subsection (f).

Mr. LEE. My only quarrel with section (f) is that it allows any profits at all. All costs would be taken care of, including salaries of management, rental of buildings, breakage, and depreciation. I see no reason why there should be any profits at all, since the men who are serving in the ranks—at least those who are below the ranks of commissioned officers—are serving for less than they could obtain if they were not in the Army. So they are not even guaranteed their normal income. They are serving at less than normal income.

My argument is that there should be no profits, because we are not creating wealth. We are destroying wealth, and what this Congress should be considering is how we can distribute the loss equally. I feel that the subcommittee amendment is a step in that direction and gives a working chart for the administrators who are charged with the business of prosecuting the war. Further, I hope that when the tax bill comes before us we can recover through it any profits which may slide through under such other legislation as we may enact.

Mr. REYNOLDS. Mr. President, will the Senator further yield?

Mr. LEE. I yield.

Mr. REYNOLDS. From what I understand, I believe that the majority of the Members of Congress are in favor of restricting capital and preventing the accumulation of huge fortunes as the result of the war. How are we to bring about any restriction at all if we eliminate subsection (f), as advocated by the Senator from Tennessee?

Mr. LEE. I think the proposal in the subcommittee amendment would be a better way of doing it than the suggestion which I saw in the newspapers by one of the administrators, which did not have any teeth in it. The subcommittee has carefully worked out this provision, and I believe, to the extent it goes, it would be effective. That is why I want to see it retained in the bill.

Some argue that we should now let the matter of profits go entirely and deal with them under the tax bill, but I do not agree with that view. I think we ought to adopt every possible method to prevent profits and tax them, too. Our situation is similar to that of the man who received a telegram saying: "Your mother-in-law just died. What shall we do with the body?"

He wired back: "Embalm, cremate, and bury. Take no chances." [Laughter.]

That is my policy with respect to prohibiting profits in this war. I intend to utilize every possible opportunity to pre-

vent any profits coming out of the war. I cannot repeat often enough that if anybody makes even 1 percent profit out of the war somebody else pays double.

Mr. President, this is only a mild beginning. We have made some progress against profits. When we prohibited the further issuance of tax-exempt bonds by the Federal Government, I think we went a long way toward taking the profits out of financing war, because now we can reach any profits that result from the purchase of war bonds, whereas in the other war we could not do so, for the reason that so many of them were tax-exempt.

This step in this bill is the mildest, I think, that we can take; and it is my hope that as we pass other measures we shall pass still more restrictive legislation against profits. If we had a plan whereby every manufacturer would be put on the same basis—that is, that the Government would simply guarantee costs and appeal to his patriotism—I believe, if all were put on the same plan and on the same basis, the big majority of them would cooperate. Those who refuse should be compelled to cooperate. That is why I take advantage of this opportunity to speak once more for the ex-service men's program—that is, a universal draft, a universal service act. We shall never solve the problem that confronts us in this war or in any other war until we put everything in the Nation on the same basis, until we decide that war is a community effort, that no one shall profit, that everyone shall serve, and that the burden of war shall be equally distributed. Even after we have done that, and we have paid and paid and paid in this country, even then when our soldiers come back from the front, as they will come back, showing the scars of battle, showing what they paid for war, we shall realize that we were not able to contribute as much as the soldiers in this war to make the world safe against slavery.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee [Mr. McKellar] to strike out subsection (f), as amended.

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Nye
Andrews	Green	O'Mahoney
Austin	Guffey	Overton
Bailey	Gurney	Pepper
Ball	Hayden	Radcliffe
Bankhead	Herring	Reed
Barkley	Hill	Reynolds
Bone	Holman	Russell
Brewster	Johnson, Calif.	Schwartz
Brooks	Johnson, Colo.	Shipstead
Brown	Kilgore	Stewart
Bulow	Langer	Taft
Bunker	Lee	Thomas, Idaho
Burton	Lucas	Thomas, Okla.
Capper	McCarran	Truman
Caraway	McFarland	Tydings
Clark, Idaho	McKellar	Van Nuys
Clark, Mo.	McNary	Wallgren
Danaher	Maybank	White
Davis	Mead	Wiley
Downey	Millikin	Willis
Doxey	Murray	

The PRESIDING OFFICER. Sixty-five Senators have answered to their names. A quorum is present.

Mr. McKELLAR. Mr. President, I have moved to strike out subsection (f) in accordance with an understanding that I thought we had earlier in the day when I asked unanimous consent to do the same thing, which was objected to by the Senator from Ohio [Mr. Taft]. Of course, it was in furtherance of that agreement that I made the motion to strike out subsection (f). I think subsection (f) by all means should be stricken out, because we voted to suspend the rule on the assumption that we would take the amended amendment of the committee to conference; and if we should take it to conference, that would take in everything. It would take in the amendment of the Senator from Oklahoma [Mr. Thomas]; it would take in the substitute of the Senator from Ohio [Mr. Taft]; it would take in everything. As a matter of fact, the conference would be completely open; and I explained that the whole membership of the subcommittee was to be on the conference committee, which will still be done.

In order to carry out, as I thought, an understanding among us all that this course should be pursued, since every man will have his chance in the committee of conference, it seemed to me that this subsection ought to be stricken out; and I hope the Senate will strike it out.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes.

Mr. CLARK of Missouri. I cannot agree with the assumption of the Senator that a vote in favor of the motion to suspend the rule amounted to any sort of unanimous-consent agreement as to what was to be done after the amendment came before the Senate for consideration. All that the motion to suspend the rule did was to say that in contravention of its ordinary practice, in contravention of the standing rule of the Senate, the Senate would consider, on an appropriation bill, general legislation of a certain character.

The Senator did state, while he was arguing in favor of the motion to suspend the rule, that it was his purpose to have appointed as conferees all the members of his subcommittee, comprising Senators with various trends of thought on this matter; but certainly there was no unanimous-consent agreement as to what was to go to the conferees, and no unanimous-consent agreement that the Senate should delegate to conferees its powers to write a new bill.

Mr. McKELLAR. Oh, no, Mr. President; just one moment. The Senator from Tennessee did not suggest any such thing as that.

Mr. CLARK of Missouri. The Senator did suggest that there was some sort of an agreement here.

Mr. McKELLAR. The Senator from Tennessee asked unanimous consent to carry out this program, saying that everything then would be sent to conference, and the only Senator who objected



at the time was the Senator from Ohio [Mr. TAFT].

Mr. CLARK of Missouri. Only one Senator can object at a time.

Mr. McKELLAR. I know that in theory only one Senator can object at a time, but frequently I have known a dozen to object. It may not be parliamentary.

Mr. CLARK of Missouri. I am not in the least criticizing the Senator from Tennessee.

Mr. McKELLAR. I hope not.

Mr. CLARK of Missouri. But it seems to me it is an unfair argument to suggest that because Senators voted in favor of the motion to suspend the rule and open up this matter to debate they are precluded thereafter from going ahead and voting in general effect for the very amendment the Senator from Tennessee himself proposed.

Mr. McKELLAR. I do not think any Senator is precluded—not at all. Every Senator has a right to vote just as he pleases.

Mr. CLARK of Missouri. I voted for the motion to suspend the rule; and am glad that I did so, and I would do so again; but I intend to vote against the Senator's motion to strike out subsection (f).

Mr. O'MAHONEY. Mr. President, I desire to add to what the Senator from Tennessee has said a further observation on a point which I think the Senator from Missouri has overlooked. There are many Members of the Senate who would not have voted to suspend the rule if they had not understood that the amendment was to be modified, and that there was an agreement to that effect. When the motion to suspend the rule was still pending, and not acted upon, one-third of this body could have prevented the consideration of the amendment at all, and there were many Members of the Senate who were prepared to do whatever might be necessary to make certain that the rule was not suspended if they had not understood, as a result of the open discussion on the floor, that the Senator from Tennessee would move to strike out subsection (f) and that, that subsection having been stricken, the whole matter would be before the conferees.

Speaking for myself, I have no hesitation in saying that I would not have surrendered the position in which I was at that time, having an opportunity to resist the suspension of the rule, if I had had the remotest belief that there would have been any objection to striking subsection (f) from the bill. If it had been the intention to perfect this amendment upon the floor, that might have been expressed, and Members of the Senate would have been guided thereby; but many of us judged from what was said here and from what was not said that there would be no objection.

So, Mr. President, I know that I speak for a great many other Senators, several of whom came to me before the vote was taken upon the motion to suspend the rule, to ask whether such a vote might safely be cast, when I express the hope that the amendment now offered by the Senator from Tennessee, which carries out the understanding had by

many Members of the Senate, will prevail.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

Mr. O'MAHONEY. I yield to the Senator from Kentucky.

Mr. BARKLEY. In confirmation of what the Senator has just said, it might be appropriate to observe that, possibly, some Senators who are now present were not present during the discussion this morning on the motion to suspend the rule, wherein it was stated that it was the general belief of all those charged with the responsibility of production, including the War Department, the Navy Department, the Maritime Commission, and the War Production Board, that the elimination of subsection (f) and the adoption of the remainder of the amendment in drafting which they had in effect cooperated with members of the Appropriations Committee in the beginning, would very greatly facilitate their ability to make contracts and would dispel fears that might prevail that production would be retarded. They are perfectly sincere about that. There is no politics in it; they have no axes to grind; they are charged with a great responsibility; and they have to deal with it day by day across the table with contractors. I think they know their problem, and it was their unanimous judgment, which was conveyed to the Senate in the colloquy which occurred that, while originally, as many of us feel, it would have been better not to have brought this subject into an appropriation bill, inasmuch as it is in the bill, the wiser course would be to send the bill to conference with the provisions now left in the amendment free from the sliding-scale restrictions, which would make it necessary in conference to provide some more or less rigid percentage upon profits that might not be deemed wise in the absence of further information.

I know that many Senators, who would have, without that assurance, voted against the motion to suspend the rule, voted for it with that understanding. I do not mean to say that binds anybody at all in the Senate. The Senator from Oklahoma was correct when he stated that, from the parliamentary standpoint, the amendment had to be presented, as it was stated in the motion to suspend the rule. There is no doubt about that. The Senator from Missouri is correct in saying that whatever we did does not bind anybody as to how he may vote now on this motion; but the motion was agreed to in the light of the discussion which had taken place up to that time, in which there was not much controversy, as to the general feeling and the general judgment of those charged with the responsibility of production.

I therefore feel that the Senator's motion should be adopted. I know many Senators would not have voted to suspend the rule; I myself would not have done so, I will say frankly, if I had not felt that it was the wiser course to pursue, rather than to take chances simply on striking out the House provision and sending the bill to conference under such conditions as that the Senate conferees

would be greatly handicapped in drafting a workable provision on the subject.

Mr. O'MAHONEY. The Senator from Kentucky states the understanding as I believe it to be, and I shall add only an additional word. I think there is no doubt at all that every Member of the Senate Committee on Appropriations is desirous of making certain that no unconscionable profits shall be made on any of these contracts. I know that no person is more desirous of taking the profits out of war than is the Senator from Wyoming. I have repeatedly, not only on the floor of the Senate but elsewhere, declared my belief that that ought to be done.

The point involved here, Mr. President, is simply that the conferees shall have as wide latitude as possible in working out this proposed legislation. It is perfectly obvious, from what has transpired already, that it is most difficult to legislate upon the floor. The Senator from Oklahoma only this morning offered an additional amendment to subsection (f), an amendment which would easily lend itself to protracted discussion. I made no effort to discuss the amendment, because I had the feeling that the whole matter would be taken care of in the conference committee, where it could be more efficiently handled.

If subsection (f) shall be stricken from the bill, the latitude of the conferees will be much greater than if it shall be allowed to remain in the bill, and it is merely for the purpose of preserving that latitude that I feel that subsection (f) should be stricken, because, when all is said and done, the business of the Army and the business of the Navy is not to journey over the country auditing books of contractors but to obtain production so that we may win this war.

The appropriation bill is before us, primarily, for the purpose of making it possible to secure an additional and much enlarged air fleet. We should not complicate that by prolonged discussion upon technical matters which the chairman of the Finance Committee feels might better be delegated to the Finance Committee in working out the tax bill and matters which other Senators feel might better be handled by the committee.

So, Mr. President, without taking up further time of the Senate, I again express my hope that the amendment of the Senator from Tennessee will prevail.

Mr. McCARRAN. Mr. President, as a member of the Appropriations Committee, I doubt very much if there is any misunderstanding in the Senate. This matter was gone into over a period of several days, during which time members of the General Staff of the Army and others were present. General Somervell and Donald Nelson were requested to give to the committee their suggestions in the way of authority or a change from the House language with a percentage limitation. General Somervell returned with a suggested amendment, which amendment was approved by Mr. Donald Nelson by his letter which appears in the record.

To the question propounded to him by a member of the committee, "Does this suggested amendment change existing conditions? Could you not now do all



that is suggested by this amendment without the amendment?" General Somervell replied, "Yes"; and not once did he make that reply, but twice during the hearings. When we strike out subsection (f) from the suggested amendment we come right back to the language of the provisions which General Somervell stated were unnecessary because the same thing could be done now under existing law.

All that appears in subsection (f) was adopted by a vote of the whole Committee on Appropriations. That was tested out by a vote in the committee, in which, with subsection (f) out, we were asked to vote on the provision which would now go to conference if subsection (f) were eliminated. That was not agreed to. A vote was then taken on the whole amendment with subsection (f) in it, and, if I may use the expression, that was overwhelmingly agreed to.

What is the record since that time? Following the adoption of that amendment, which is the amendment which will go to conference now if subsection (f) is left in, the chairman of the subcommittee of the Committee on Appropriations was authorized by the full committee to apply to this body to suspend the rule. That authorization was given to him as to the whole amendment, not as to a part of the amendment, because, I say with all due respect to him, that the amendment could not have been agreed to in the committee without subsection (f) in it. It was not so agreed to. But subsection (f), with the remainder of the language, was adopted, and the Senator from Tennessee was authorized to apply to this body for a suspension of the rule. There is no misunderstanding, no one here has been misled. The able Senator from Wyoming, as a member of the committee, knows that everything I am reciting is true.

Without any suggestion of a reflection whatever, I doubt whether the chairman of the subcommittee should make this motion to strike out a vital part of that which his committee authorized him to bring to this body as a whole. However, that is a matter for his discretion, and it is a matter for the committee.

When we leave out subsection (f), if we do leave it out, we strike from the amendment the vital part which the Committee on Appropriations overwhelmingly voted into the amendment, and without which the Senate would not have the amendment before it.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. CLARK of Missouri. The Senator from Wyoming has made some reference to the fact that some Senators might not have voted for the motion to suspend the rule, in which he was also joined by the Senator from Kentucky, unless they had believed that the motion of the Senator from Tennessee to strike out subsection (f) would have prevailed. Does not the Senator know that there were many Senators on this floor, at least some Senators, who would not have voted for the motion to suspend the rule if they had believed that on a record vote the motion to strike out subsection (f) would

have prevailed? I can say for myself that my only reason for voting for the motion to reconsider was that I thought we would have an opportunity to fight out this question of subsection (f) fairly in the Senate.

Mr. McCARRAN. Mr. President, I shall refer to myself in answer to the suggestion of the Senator from Missouri. As a member of the Committee on Appropriations I voted against the amendment with subsection (f) out. As a member of the Committee on Appropriations I voted for the amendment with subsection (f) in, and other Senators did likewise, without mentioning any names, because it is not necessary, in view of the fact that no record vote was taken.

It is not to be said here with any degree of seriousness that anyone has been misled. The whole thing is plain; the whole thing is clear. It seems to me that if the Senator now persists in his motion to strike subsection (f), after his committee has authorized him to bring it in before the Senate and to ask the Senate to vote upon it, that is his business; but the Senate should retain subsection (f) in the amendment. Otherwise, we go into conference with no suggestion of a limitation fixed by the Senate of the United States upon profits to be made out of contracts.

Mr. President, the whole country has been aroused by the news which has been published as to excessive profits. It has been testified before the Committee on Appropriations of the Senate that the War Department itself has compelled contractors to deliver up some \$80,000,000 which they have discovered up to date. If they can do that, they could certainly take the proposed provisions as a further armament and a further authority to bring back money which has been taken from the taxpayers of this country.

What is more, when there is talk about auditing the books, how is the Government to obtain stolen profits unless the books are audited? It is the duty of the War Department to see to it that no excess profits are authorized from the time of the making of the contract down to the time the last dollar is paid. They are the custodians of the people's money, because we are voting them not only the eighteen or nineteen billion dollars provided in the bill before us, but we have voted billions of dollars besides in other measures, and to charge the War Department with circumspection in limiting profits seems to me to be the duty of Congress.

Mr. LEE. Mr. President, I think no one who knows the Senator from Tennessee [Mr. McKELLAR] or the Senator from Kentucky [Mr. BARKLEY] or any of our other colleagues could doubt their good faith, but I differ with them on this occasion.

I realize that some of the men charged with the administration of these contracts tell us that such a provision as subsection (f) would make it difficult to apply the law, and they claim they will prevent profits by negotiating their contracts. But during the other war we heard the same kind of argument. It was said, "Now let the boys profit, and we will take it away from them in the way

of taxes afterward." But, somehow or other, the greatest crop of millionaires America ever saw came out of that war. What was promised was not done.

At the very time when we were actually placing a ceiling on prices in this country, while we were placing a ceiling on farm prices and on all other prices, the Interstate Commerce Commission granted an increase in freight rates and passenger rates, at the time the railroads had the greatest traffic they had had since before the other war. I say we cannot depend on the officials to prevent profits. They have grown up with profit in their blood. They believe in it. In peacetimes, when this country is making a profit, it is all right, but they cannot shift their thinking over into a time when we are destroying wealth, when everyone should be taking a loss, and when every contract they negotiate should not be on the basis of giving the contractor enough sugar to sweeten his coffee so that he would grab off a contract.

I dare say that every Senator on this floor, unless he was appointed to his seat, has gone before the people and told them that if war came again he would oppose profits. Gentlemen, there will be a roll call. How are you going to vote? At the proper time I shall ask for the yeas and nays on this question.

Mr. HAYDEN. Mr. President, during the last war we had the cost-plus contract system, and it was under that system that many millionaires were made. Adopt the procedure now suggested, and we will go back to the same old World War cost-plus contract system.

The best practical way of bringing about the kind of "no profit" arrangement which the Senator from Oklahoma recommends would be to seize all business and let the Government run it and manage it so that no one makes anything.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BANKHEAD. The Senator has spoken about going back to the cost-plus program. I should like to ask the Senator whether it was not shown before the Committee on Appropriations that about 60 percent in volume of the contracts heretofore made were on the cost-plus basis. We are not getting away from it.

Mr. HAYDEN. No. The contracts now made upon a cost-plus-a-fixed-fee basis are quite different from the World War cost-plus contracts. Some contracts are for materials of common manufacture, things the ordinary prices of which are fixed by competition. If, for example, there is a need for electric-light bulbs, we know what the ordinary price of an electric-light bulb is, and can buy it at an agreed price.

Mr. BANKHEAD. I do not like to interrupt the Senator, but I hope he does not mean to leave the impression that the construction contracts for the construction of camps and the like were not on a cost-plus basis also.

Mr. HAYDEN. The cost-plus-a-fixed-fee system, which is an improvement over the old cost-plus, was generally used in constructing cantonments in 1940. I understand that about half the Army



camps were constructed under competitive-bid contracts, and that the other half were handled on the cost-plus-a-fixed-fee basis. The officials of the War Department claim they have saved money for the Government in many instances by handling camp construction in that way.

Mr. O'MAHONEY. Will the Senator yield?

Mr. HAYDEN. I shall yield in a moment. The point I wish to make is that if Congress adopts a series of percentages, we will inevitably return to the World War cost-plus basis inside those percentages. If contractors have all their costs guaranteed, it is certainly going to cost the Government more money. That is my honest judgment about the pending amendment. Millionaires were made in the other war with the cost-plus contracts. We should abandon that idea and should handle contracts by the method here proposed. That is the sound, sensible way to proceed. Congress cannot lay down any fixed rule as to profits on contracts. Here is one company to whom the money was furnished by the Government for construction. Here is another company which invested its own capital for construction. The same rule cannot be adopted with justice to each of them.

Mr. LEE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LEE. How does the Senator propose to keep the profits out?

Mr. HAYDEN. There are two ways, and very simple ways. For instance, a manufacturer is asked to convert an automobile factory into a factory to build tanks. The manufacturer does not know what the conversion is going to cost. The company does not know what the unit price should be on the tanks. So it figures upon a price large enough to make itself perfectly safe. It turns out that the conversion took place in much less time and was much less expensive than had been anticipated. It is later demonstrated that by more skillful manufacturing methods the tanks can be made for less money than provided for in the contract. In such a case it is perfectly proper for the War Department to say, "You are making too much profit. Let us renegotiate your contract." That has been done in the last few weeks with a saving of \$85,000,000 to the Government. That is the way the situation is now being handled and that is the method which by this amendment will become fixed by law.

Mr. LEE. Does the Senator think that will prevent all the profits?

Mr. HAYDEN. No. The next way in which to get the profiteer is by an excess-profits tax.

Mr. LEE. The Senator will recall that not very long ago when the Finance Committee brought in a tax bill it proposed an excess-profits tax, and the Senator from Wisconsin [Mr. LA FOLLETTE] offered a proposal for an excess-profits tax which was steeper, which would have taken more of the profits, but we were given the same argument then, the same chloroform, that "It cannot be done. That simply will not work out." Some-

how or other when we come to consider the profits of the "big boys" there is always something mysterious about them; that a way to get them back cannot be worked out.

Mr. HAYDEN. The Senator suggests a method whereby there will be no profits at all. He would have the Government take over all industry and run it just as is done in the countries where totalitarian governments are in control.

The Senator from Oklahoma spoke about the Truman committee. Let me point out that that committee is serving the country in a most excellent manner, and in a perfectly constitutional manner. It is doing just what an investigating committee has a perfect right to do. Congress appropriates money, and has a right to follow the money up and see that it is honestly and correctly expended, according to law, as the Congress intended it should be. The Truman committee is doing that. It is not attempting to take charge of the conduct of the war, like a congressional committee of that name did during the Civil War, which embarrassed Abraham Lincoln and his generals by trying to dictate military strategy. The Truman committee is acting in a perfectly constitutional manner. It is exposing excessive profits and practices detrimental to the country's war effort. It does not recommend a limitation on profits.

Mr. LEE. Another committee has,

Mr. HAYDEN. What committee?

Mr. LEE. A subcommittee of the Committee on Appropriations.

Mr. HAYDEN. The Committee on Appropriations ought not to include legislation in an appropriation bill except by unanimous consent.

Mr. LEE. The Senate gave the committee permission to do so by a two-thirds vote awhile ago.

Mr. TRUMAN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. TRUMAN. I wish to say to the Senator from Arizona that the members of the special committee of which I happen to be the chairman are extremely happy to hear the remarks of the able and distinguished Senator from Arizona, and I wish to say that it is the conclusion of that committee—I have not consulted every member of it—that this amendment in toto is bad legislation from the standpoint of the welfare of the Government of the United States; that if subsection (f) is left in the bill we are simply going back to the old cost-plus contracts, and we shall be as bad off as if we had no profit legislation whatsoever. By leaving subsection (f) in the bill the contractor is not given any reason whatever to cut costs and to work efficiently. The more money he expends the greater his percentage of profit will be and the more it will cost the Government of the United States. I think this is bad legislation from start to finish, and I expect to vote against the amendment as a whole. I should have voted against it in the committee had I been present at the committee meeting when the matter was considered, but, much to my regret, I was not able to be present.

Mr. HAYDEN. Mr. President, in conclusion let me say that there are two things that all Americans desire to see accomplished. We all want maximum production of war materials in the least possible time. The second is that the American people do not want to be robbed while this vast quantity of war materials is being produced.

The question is as to how to get this work done at a reasonable cost to the Government. That is the sole issue here. If we take action the result of which is to slow down production, then we are denying equipment to our soldiers and sailors and helping to lose the war.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. I interrupted the Senator when he was discussing cost-plus contracts. I realize that the Senator is thoroughly familiar with all the phases of this legislation. I wondered if he would state briefly the difference between cost-plus, which he and I and the Senator from Missouri [Mr. TRUMAN] believe will be made effective by the retention of subsection (f), and cost plus a fixed fee, which was the method used in the construction of Army camps, but not the method which was used during the World War.

Mr. HAYDEN. Mr. President, during the World War a cost-plus contract was awarded. If the contractor started out on the basis that the work would cost a million dollars and it turned out that it cost \$2,000,000, his profit on the contract was twice as great. So that there was no incentive to economy. On the other hand, the more he spent the more money he made. That was the way such contracts were handled in the World War. In this war the War Department has devised a cost-plus-a-fixed-fee contract. If it was estimated that the job would cost a million dollars, the amount the contractor got to do the job was fixed on that basis. If the work cost \$2,000,000, the contractor does not make any more than if it had cost a million dollars, because, the fee being fixed in advance, he could not make any more. Therefore there was an incentive for him to do the work for a million dollars instead of for \$2,000,000, because he could not make any more money in any event. But when work can be handled by competitive bidding, that is a better way to do it. It cannot be handled by competitive bidding if we have fixed profits such as are set out in the proposed amendment.

Mr. BALL. Mr. President, I desire to second the statement made by the Senator from Missouri [Mr. TRUMAN] about the proposed legislation. From my experience on the Truman committee, I am convinced that it would have exactly the opposite result from that sought by its sponsors. I think I am as interested as is any other Member of the Senate in eliminating excess profits. I am even more interested in speeding up our war production. I am convinced that the proposal not only would be ineffective in limiting profits but would increase costs and delay production.

Mr. President, it seems to me the logical place to take care of excess profits



is in the tax bill. The Treasury Department has a formula for determining costs and profits, a formula which has been worked out over the years, which is known to all businessmen. They know what they are up against. If we are to make the War Department, the Navy Department, and the Maritime Commission duplicate the auditing jobs which the Treasury does, they will also have to work out some kind of a formula to determine what are costs and what are profits.

I may add that it seems to me to be immaterial whether we adopt subsection (f) or not, because if the service departments are honestly to carry out the intent of the other provisions of the amendment, they will themselves have to develop some kind of a formula similar to that set out in subsection (f).

I believe the proposed action would result in a long step being taken toward getting back to the very cost-plus or percentage of cost contracts which resulted in the tremendous scandals after the first World War.

What would be the effect, for instance, in the case of a contractor who had a contract for \$50,000,000 with a fixed fee of 2 percent, or \$1,000,000? He reaches a point about in the middle of the job and finds out he is going to wind up that job with only \$45,000,000 or \$40,000,000 of cost, which could cut his fee \$200,000. What will he do? Will he continue and try to keep the costs down, or will he try to get them up to the point where there will be no cut in his fee? The effect of the proposed legislation would be to provide an incentive to keep the costs up to the point where the departments letting the contracts would have no excuse for renegotiating contracts and taking back some of the profits.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. LEE. If we eliminate subsection (f), that leaves no limitation at all, does it not?

Mr. BALL. I said in my opening remarks that it seems to me that if we eliminate subsection (f), the War Department and the Navy Department will have to develop some kind of formula very similar to subsection (f) if they are going to carry out and implement the intent of this proposed legislation.

Mr. LEE. That puts it right back where we started—just exactly nowhere.

Mr. BALL. Certainly. Further, it seems to me from my observations as a member of the Truman committee that the proposed legislation simply introduces more red tape into the negotiation of contracts in Washington. We have seen instance after instance of the negotiation of a contract taking anywhere from one-quarter to one-half as much time as the actual execution of the contract. Certainly this type of provision would introduce another serious uncertainty into the contract negotiations, and inevitably delay them considerably. In war production we ought to eliminate every delay possible of elimination.

Mr. CLARK of Missouri. Mr. President, it seems the discussion of this situation has wandered far afield, and very

much in the direction of a circle. Yesterday the distinguished Senator from Tennessee [Mr. McKELLAR] gave notice of a motion to suspend the rule for the consideration of a particular amendment which had been printed and was on the desk of every Senator. Today the Senator from Tennessee, who had announced on yesterday that he was offering the motion to suspend the rule by authority and by direction of the full Committee on Appropriations, as I understand, announced that if the motion to suspend the rule should be adopted, on his own responsibility, without the authority and direction of the Committee on Appropriations, he would make a motion to modify his amendment.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. McKELLAR. Before doing so I went to each and every member of the Appropriations Committee whom I could find. I am quite sure I saw the majority of those present. Each and every member of the Committee on Appropriations whom I saw assured me that he approved the plan. All except the Senator from South Dakota [Mr. GURNEY] told me that they approved the plan; and on that approval I acted. I am entirely within my rights in having acted after having consulted with other members of the committee. I did not consult the Senator from Wyoming [Mr. O'MAHONEY]. There may have been several members of the committee whom I did not consult; but I am quite sure that the majority of the committee were consulted before the action was taken.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Rhode Island.

Mr. GREEN. In view of what the Senator from Tennessee has said, I wish to state for the record that this is the first I have heard of his proposal. I was not consulted. I did not agree to it, and do not now agree.

Mr. McKELLAR. I did not consult the Senator from Rhode Island, as I recall, because I could not find him. I said at the very beginning that I had not consulted every member of the committee. I did not. However, the Senator from Rhode Island was present in the Senate and voted as I voted.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. McCARRAN. I wish to make the record clear with my good friend the Senator from Tennessee. If he thought he consulted me with reference to this change, he must have consulted someone else, because he did not discuss the matter with me at all.

Mr. McKELLAR. I did not consult the Senator.

Mr. CLARK of Missouri. Mr. President, I should like to have it thoroughly understood that in the vote which I shall cast and in the remarks which I am now making I have no desire whatever to criticize either the Senator from Tennessee or the Appropriations Committee. I simply recount the facts. Yesterday the Senate was given notice, un-

der the rules, for the consideration of a particular amendment, which contained as its essential part subsection (f). If we leave subsection (f) out of the amendment the amendment does not amount to a hill of beans. There is no use in taking any action whatever.

Mr. LEE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. LEE. If we take it out, the War Department and those who make contracts could make contracts which would net the contractors as high a percentage as the Department wanted them to have.

Mr. CLARK of Missouri. The contractor could make as high a percentage of profit as he now can make under the so-called cost-plus-fixed-fee contract, which is supposed to be such an improvement over the old cost-plus contract, but which amounts to exactly the same thing.

Mr. LEE. Let me ask the Senator if it is not true that for years we have worked on tax bills. The Senator and I were both coauthors, along with many other Senators, of a tax bill which the Senate passed, but which never got any further. We have introduced other similar measures and tried to have them passed. We have been tackling the problem of profits ever since I have been in the Senate, and we have always been met with the same argument with which we are now met, namely, that it cannot be done.

Mr. CLARK of Missouri. There is no question about it.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. McKELLAR. The Senator from Nevada [Mr. McCARRAN] said something to the effect that General Somervell had said that without subsection (f) there was nothing in the amendment which would authorize the departments to do anything that they do not now have the right to do.

Mr. McCARRAN. He so stated on two occasions.

Mr. McKELLAR. This is what he said:

General SOMERVELL. In other words, we now have a Board of Contract Adjustments. We are examining these contracts. We have just completed a review or renegotiation of a contract with the Continental Motors, which made an over-all savings of approximately \$40,000,000—a pretty substantial amount—and we are doing the same with another set of contracts today. So far we have received cooperation from the people concerned in going over these contracts, and we expect to continue to receive it. However, this gives us the right to demand certain things which we now get merely by agreement.

Senator McKELLAR. I think it accomplishes a great deal.

General SOMERVELL. It does.

Mr. McCARRAN. To what was he then referring?

Mr. McKELLAR. He was referring to the amendment which the three departments had prepared and which had been gone over by the Senator from Louisiana [Mr. OVERTON] and the Senator from Wyoming [Mr. O'MAHONEY].

Mr. McCARRAN. Let me interrupt the Senator at that point, at the hazard of repetition, to say that in answer to an inquiry propounded to him by the



Senator from Oklahoma he said that there was nothing in the suggested amendment which the departments had prepared that would authorize them to do more than they can now do. In answer to a question which I propounded to him in person to the same effect he answered that there was nothing in the suggested amendment which could not be done under existing law.

Mr. McKELLAR. He said that, but modified it in this way—I read from page 87 of the hearings:

Senator McKELLAR. I doubt very much whether you have a right, when you make a contract with a citizen and he makes an unconscionable profit after you go into the contract, I doubt very much whether you have got a right to redraft the contract so as to provide that he will make only a reasonable profit. I do not think you have got that right under the law.

General SOMERVELL. We have not got the right.

The whole purpose of the amendment is to give the departments the legal right to renegotiate contracts without depending upon a contractor who has exacted unconscionable profits. It should not be merely in his discretion as to whether the contract should be renegotiated and the price refixed, but the law should provide that it should be done. That is why the amendment is offered.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. Mr. President, I have the floor. I shall be glad to yield to the Senator from Louisiana.

Mr. OVERTON. It would not only be written into the law but would be written into every contract hereafter entered into, because the language is:

The secretary of each department is authorized and directed to insert in any contract \* \* \* a provision for the renegotiation of the contract price.

Mr. BARKLEY rose.

Mr. CLARK of Missouri. Mr. President, I must decline to yield. I do not like to decline to yield to the majority leader.

The Senator from Louisiana is too good a lawyer not to know that if we should strike out subsection (f) in the amendment there would not be a single thing in the amendment which the Secretary of War or the Secretary of the Navy does not now have the right to do.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I shall be glad to yield to the Senator if he will only permit me to finish this thought. The Secretary may now put such a provision in a contract. There is nothing on the face of the earth to prohibit the Secretary of War or the Secretary of the Navy from putting such a reserve clause in a contract at the present time. The amendment, without subsection (f), merely holds out the hope of something that cannot be accomplished, because it is simply a restatement of powers which already exist.

I now yield to the Senator from Louisiana.

Mr. OVERTON. The Senator is correct when he makes the statement that the secretary of any of the departments

may insert such a clause in a contract; but, as a matter of fact, the renegotiation-of-price clause has not been in the contracts. If the amendment were enacted into law the law would require the head of each department, and of the Maritime Commission, to insert the renegotiation-of-price provision in every contract. It would not be discretionary. It would be mandatory.

Mr. CLARK of Missouri. I think it ought to be mandatory; but without subsection (f) the amendment would confer no additional power over what is now given to any Secretary of War or Secretary of the Navy who honestly tries to perform his duty.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. I call attention to the fact that not only does the amendment as it is now proposed, without subsection (f), apply to future contracts; but subsection (c) of the amendment, on page 3, provides that it shall apply to all contracts heretofore or hereafter made, whether there is or not any renegotiation provision in them. So the departments could go into all contracts.

Mr. CLARK of Missouri. Does the Senator think that we could enact a law impairing the validity of contracts?

Mr. BARKLEY. We did so after the last World War. We provided by law for readjustment of contracts which had been entered into. The Constitution of the United States provides that the States may not enact such laws.

Mr. CLARK of Missouri. I know what the Constitution of the United States provides; but does the Senator think that the Congress can impair the validity of contracts?

Mr. BARKLEY. I think that subsection (c) would be a constitutional enactment. It provides as follows:

(c) The secretary of each department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such department, (1) to require the contractor to renegotiate the contract price, (2) to withhold from the contractor any amount of the contract price which is deemed by the Secretary to represent excessive profits, and (3) in case any amount of the contract price deemed by the Secretary to represent excessive profits shall have been paid to the contractor, to recover such amount from such contractor.

It goes on in detail. It is applicable to all contracts heretofore entered into, as well as contracts hereafter entered into.

Mr. CLARK of Missouri. It does not set up any scale.

Mr. BARKLEY. No; it does not set up any scale.

Mr. CLARK of Missouri. Mr. President, my purpose in rising was to point out the vice of this method of legislation. Neither the Appropriations Committee of the House nor the Appropriations Committee of the Senate has the slightest jurisdiction over this sort of legislation. Such legislation on general appropriation bills is forbidden by specific rules of both the House and the Senate.

Having been served with notice yesterday by the agent of the Appropriations Committee that a particular amendment was to be considered, having under the rule brought up that matter today, and having had it impressed upon us by the majority leader and by the distinguished Senator in charge of the bill that it was necessary to take some action other than merely striking out this usurpation of power by legislation in an appropriation bill, and that it was necessary to take some action to send the measure to conference, having obtained a majority of two-thirds—the necessary majority—for the mere consideration of the subject by the Senate, we are now told that if we are going to take some steps to limit profits in order to keep people from gouging the Government, it is an evidence of bad faith even to vote for the very amendment which was ordered reported by the Appropriations Committee.

Mr. President, it seems to me that very clearly shows the vice of this whole system of legislation. Now the Senator from Arizona [Mr. HAYDEN], one of the ablest Members of the Senate, says that the adoption of subsection (f) will result in the reestablishment of cost-plus contracts; and perhaps it may contribute in that direction. I disagree very much with the Senator from Arizona that the cost-plus-fixed-fee contract is any better than the old, gouging cost-plus-percentage contracts, except in degree. Any lawyer who has ever tried a case for or against a public utility knows that what the public utility is interested in is not so much its rate of return as the rate basis upon which it will be allowed to charge fees; and as much gouging of the Government is possible under the cost-plus-fixed-fee basis as under the cost-plus-percentage basis. What Congress should do, really, instead of adopting any of the propositions which are now before us, is to go back and reenact the law flatly prohibiting cost-plus contracts, because that is where the Government is gouged.

However, Mr. President, I cannot too strongly emphasize the indignation I feel when, having voted to set aside the rule of the Senate to permit the Appropriations Committee to usurp the jurisdiction of the legislative committee having jurisdiction in this matter, we now are told that unless we vote to strike out the only essential element of the very amendment which we voted to suspend the rule in order to be able to consider, we shall be guilty of bad faith. It seems to me that if we are to do anything at all we should keep subsection (f) in the amendment. If we are to keep subsection (f) in the amendment, then we should strike out the House amendment, vote down the McKellar amendment when subsection (f) has been deleted from it, vote to strike out the House provision, and go to bat with the House on the question whether or not this is the right way to handle this very important and essential matter.

The PRESIDING OFFICER. The question is on the motion of the Senator from Tennessee [Mr. McKELLAR] to strike out subsection (f), as amended.



Mr. LEE. Mr. President, I ask for the yeas and nays on the motion.

Mr. THOMAS of Oklahoma. Mr. President, there is only one controversial point in the amendment, and that is embraced in subsection (f). No one can disagree to the other part of the amendment, because there is nothing to disagree to. It does not provide for anything, and does not keep anything from being done.

When the committee met, the War Department, speaking through its agents, was against the case amendment, which was a part of the House bill, but which has now been stricken from the measure. Knowing that we desired to consider the same subject matter, the chairman of our subcommittee, the Senator from Tennessee [Mr. McKELLAR], asked that certain persons come before the subcommittee. Mr. Nelson came before the subcommittee; the representatives of the War Department came before the subcommittee; and they were against any amendment. That did not suit our subcommittee, and especially did not suit our chairman. We stood by him. He asked the representatives to prepare something and bring it back and submit it as a substitute for the Case amendment. They did not desire to have anything of that sort in the bill; and they went out and brought back a joint resolution which they knew could not be made a part of this measure unless the Senate should vote to suspend the rule. They brought back a joint resolution, and they proceeded to explain it. After the explanation was made—General Somervell was on the stand—I questioned General Somervell; and in that connection I refer to page 86 of the hearings on this particular bill.

I asked General Somervell this question:

What does this do that is not now being done?

General SOMERVELL. Nothing.

That is the answer.

Mr. McKELLAR. Yes; but if the Senator will permit me to interrupt him, let me point out that just below, on the same page, he said:

However, this gives us the right to demand certain things which we now get merely by agreement.

Mr. THOMAS of Oklahoma. Mr. President, the testimony showed that the Government has the power to do anything it wants to do with regard to these contracts.

As I understand, this is only a guide. That is true, but it is a guide in the nature of a limitation. The departments do not want any limitation. Industry does not want any limitation. The question is whether or not the Senate wants a limitation.

Mr. GEORGE. Mr. President, I feel that I should make a very brief statement about this matter. I do not want to argue it. The amendment has not been argued on its merits even up to this time, with all due respect to those who have spoken on it.

I came to the Senate Chamber yesterday to resist this amendment, because it belongs primarily to the jurisdiction of

the Finance Committee, and there is no effective way of dealing with profits except through taxation. I fully realize that. I was met with this amendment, proposed by the Senator from Tennessee [Mr. McKELLAR] on behalf of the Committee on Appropriations.

Everyone knows that the distinguished senior Senator from Tennessee is a man of the highest honor and of the utmost integrity. There is not a Member of this body who will question that statement. He is acting chairman of the Appropriations Committee so far as this bill is concerned—not merely this amendment, but this bill. I would have been on the floor today discussing the merits of this amendment, which is bad—wholly bad. In my opinion the amendment will almost defeat the war effort if it is enacted at this time. I do not, however, want to go into a discussion of the merits of it.

I was advised this morning by the Senator from Tennessee [Mr. McKELLAR], who had submitted this amendment on behalf of the Appropriations Committee, that after conference and after discussion he would be willing to strike from the amendment subsection (f), and would take the initiative in doing so.

I personally did not want the other parts of the amendment, and do not want them now, and they will not be productive of expeditious handling of war production; but I relied on the Senator who offered the amendment in all good faith. I went into a conference this morning with the majority leader. I intended to assert the right of the Finance Committee to consider this matter. That committee will consider it under great embarrassment if the Senate is to write tax provisions into this bill; and the limitation here is substantially a tax measure.

I came to the Senate Chamber and conferred with every Senator who has offered an amendment on this subject. The Senator from Ohio [Mr. TAFT] frankly said that he would not agree to the suspension of the rule, but he did not object to the elimination of subsection (f) so much as he objects to the suspension of the rule in order to permit legislation of this kind. He was in perfect good faith about it. He was in the open about it.

Mr. TAFT. Mr. President, if the Senator will yield, at the time I spoke I understood that the amendment had already been modified by eliminating subsection (f).

Mr. GEORGE. I understood it also. The Senator from Tennessee, who had this amendment printed, who was the representative of his committee on this floor, and who had acted in a straightforward manner in everything he had said and done, rose and said that if the rule were suspended he proposed to strike out section (f); he even asked unanimous consent to suspend the rule and to offer the amendment with section (f) eliminated. The Senator from Ohio at first objected; that is, he objected to the suspension of the rule, but, as he has said to the Senate frankly, he made his discussion on the theory that the Senator from Tennessee had

already, by unanimous consent or by agreement, modified the amendment.

I certainly would have opposed the suspension of the rule to consider legislation of this character on this bill, not because I want to see excessive profits made by a contractor, for I am as strongly opposed to that as is anyone else, and I am perfectly willing in every possible way to limit profits, but because I think I know that with this bill passed the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives will be severely handicapped in their effort to consider a proper excess-profits tax bill. The Ways and Means Committee is already holding daily hearings and expect to close the hearings about the 15th of this month on the tax bill.

I have very carefully considered the other provisions of the bill as to whether they would affect the power of the taxing committee to deal with this all-important question. The bill does not directly affect the power of the Finance Committee; but indirectly it does, because it will be impossible for any manufacturer or other person who has had a contract with the Government to know what his profits are until after his contract has been closed and he has been sued in the courts and a recovery had of him, if one of the secretaries does not withhold a part of his payments. So it will be many years before the contractor will know whether he made profits or did not make profits, or how much.

Mr. LEE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LEE. Did not the Supreme Court recently pass on the profits of the Bethlehem Steel Co. in a lawsuit which had lasted ever since the first World War?

Mr. GEORGE. Yes, they did; but the Bethlehem Steel Co. contract was re-examined, not under a statute similar to that here proposed, which would authorize the recovery of excess profits. There was no congressional expression on the subject, and that was the basis of the Supreme Court's decision.

Mr. LEE. If we should eliminate subsection (f), there would not be any expression of Congress in the statute.

Mr. GEORGE. Oh, yes; because this bill, outside section (f), requires the secretaries to put into the contracts all these provisions to withhold payment and to institute suit if there has been an excessive profit made.

Mr. LEE. There was no recovery from the Bethlehem Steel Co., was there, although there were millions of dollars involved?

Mr. GEORGE. It does not make any difference whether millions of dollars or millions of cents were involved, so far as that goes, but the Bethlehem Steel case was decided precisely because there were not at that time on the statute books the provisions proposed to be put into this bill; and for that reason the case fell down.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. O'MAHONEY. I interrupt the Senator merely to endorse his words and



to point out, in addition, that the second War Powers Act, which was signed by the President within the fortnight, gives to the Chairman of the War Production Board authority to examine the books and contracts of defense contractors, which is an authority that did not exist when the old Bethlehem Steel Co. contract was made.

Mr. GEORGE. That is quite true.

Mr. BONE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. BONE. I understood the Senator from Kentucky [Mr. BARKLEY] to say, a few minutes ago, that there had been legislation on the books during the first World War that permitted a reexamination of contracts.

Mr. BARKLEY. I said after the war was over Congress did enact legislation which permitted the Government to go back and examine contracts, but there was no such law at the time the World War was being fought.

Mr. BONE. I wanted to ask about that, particularly with a special reference to the Bethlehem Steel contract case, because the Supreme Court has just passed on that, and it has left the Government absolutely defenseless. The Senator from Georgia knows about that case, which was decided only a few days ago.

Mr. GEORGE. Yes; that case was decided a short time ago, but if the provisions embodied in this bill had been the law at the time the Bethlehem Steel Co. made the contract, the decision of the Supreme Court would have been directly to the contrary. The Government would have had the right to recover. The Court put its decision squarely on the ground that Congress had not provided for recovery of excess profits.

Mr. BONE. That leads me to inquire of the Senator if this amendment does not contain other provisions which permit the Government to renegotiate contracts?

Mr. GEORGE. Absolutely; it not only permits it but requires it; it also requires the withholding of excess profits, it requires suit to recover excess profits, it declares that the contractor who has received excess profits is indebted to the United States, and fixes the liability on which suit may be brought. So the amendment is of very great consequence without subsection (f).

Coming back to subsection (f), I think it is bad, but I shall not discuss its merits or demerits. I merely rose to say that I certainly would have urged the Senate to have allowed the Finance Committee to have considered, at least, conjointly with the Appropriations Committee, these provisions, because they do directly affect and directly increase the burden of the Finance Committee in undertaking to provide a proper excess tax bill.

It must be remembered that while we have an excess-profits tax act, that act was passed before we went to war; it was last amended before we got into this war, when the excess profits, of course, were being earned because of large contracts placed in the United States by the French and British, in the first instance, and then by our own Government under the

defense program which we were well into at the time of the amendment of the excess-profits tax. It must also be remembered that under the present excess-profits tax act not everything we have been reading about will by any means be permitted to escape the provisions of the law. Take the case in Ohio of the Jack & Heintz Co., as I recall the name, a corporation which paid exorbitant salaries and then gave bonuses to officers and to employees. Mr. President, do you suppose the Secretary of the Treasury is going to allow that organization to escape the tax law? The Secretary of the Treasury can disregard unreasonable salaries; he can look through those bonuses, and what will happen to the Jack & Heintz Co. will be a tax assessment which will very nearly put them into bankruptcy unless they make some profit on other items.

Mr. LEE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. LEE. Following the World War, was there not a tax placed taking 80 percent of the profit; and, in spite of that, did we not have a crop of millionaires?

Mr. GEORGE. There was a war tax, but the trouble about the first World War tax was that the contracts were all cost-plus contracts; and under subsection (f) to such contracts is where every contractor in this country will be driven.

Mr. LEE. Mr. President, will the Senator yield further?

Mr. GEORGE. Yes.

Mr. LEE. That does not answer my question. The Senator argues that we should cure the profits evil by taxation. I still ask him if we did not have an 80-percent tax imposed during the first World War?

Mr. GEORGE. We had an excess-profits tax, but it was not the same kind of an excess-profits tax we have now, I will say to the Senator.

Mr. LEE. But it let the profiteers slip through.

Mr. GEORGE. It let them "slip through" because the tax act had not been passed, in the first instance, in the World War until a great many persons had accumulated enormous profits, and, then, because of the very fact that they were allowed to operate under cost-plus contracts, the Excess Profits Act itself was not an altogether effective act.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. GEORGE. I yield.

Mr. BARKLEY. It might also be observed that at the beginning of the first World War the income tax was a new instrument of taxation in this country, and neither the Treasury nor the Congress had become very well acquainted with it or very expert with regard to it.

Mr. GEORGE. Exactly.

Mr. BARKLEY. I think we have learned much since that time, by experience and observation, in the writing of tax bills and in their administration.

Mr. GEORGE. The Senator is quite right. The Income Tax Act, at the beginning of the first World War, was only 10 percent; that was the highest rate; and it never went above 12 percent nor-

mal. At this moment our normal tax is 31 percent.

Mr. BARKLEY. Furthermore, we had not enacted any income-tax law until late in 1913—

Mr. GEORGE. That is true.

Mr. BARKLEY. Which was the year before the World War broke out, and only a little over 3 years before we actually got into it. There were amendments during the World War increasing the rates of the income tax, individual and corporate, but we cannot compare the knowledge of and experience with our tax laws which we now have with the knowledge and experience we had from 1914 to 1918.

Mr. GEORGE. The Senator is exactly right, because at the beginning of World War No. 1 the maximum tax rate on personal incomes was only 10 percent. That rate did not go higher than 12 percent during the war. There was an excess-profits tax, and an additional war-profits tax which was in effect for awhile, and the excess-profits tax was based entirely upon invested income. The law allowed 8 percent credit before the imposition of an excess-profits tax.

At this time the normal and surtax on corporate income amount to 31 percent. The excess-profits tax is 65 percent. It is the simplest sort of a calculation to show that we can take a 40-percent normal tax and 90 percent excess-profits tax and cut the profits of all corporations down to 6 percent, because when we take 90 percent, under the present reversal of credit principle, which we have in the Tax Act, we leave only 10 percent, and when we take 40 percent of that, there is but 6 percent of profit left.

I am merely calling the attention of the Senate to that fact. The Secretary of the Treasury is recommending not 40 percent normal and surtax but 56 percent normal and surtax, and is recommending 75 percent excess-profits tax. Apply those taxes and there will not be any millionaires made. But I am not sure that I would not rather see one man escape with a million dollars which he had stolen rather than see our boys in Australia and in Africa and elsewhere about the earth die because they had not the machines and arms with which to fight.

Millionaires are not going to be made as the result of this war; do not think so for a moment. I have never objected on this floor to the consideration of any bill because it really intruded upon the jurisdiction of a committee charged with tremendous responsibility, but I was prepared to come before the Senate and ask that before it passed the pending bill this matter should go to the Committee on Finance so that the committee might consider it, because I know how important it will be if the amendment as the committee reported it shall be actually enacted.

It is important without subsection (f), as I have already said, because there can be no final determination of profits under the proposed law until some time after the contracts are made, and in many instances perhaps years afterward. But that is not a matter of such serious im-



portance; it is not a matter of such serious consequence, and when the acting chairman of the Committee on Appropriations, who laid this amendment before us yesterday and gave his notice of intention to move to suspend the rule, this morning said that he wished to suspend the rule, but he wished to offer the amendment with subsection (f) out, I had no doubt that all the Senators here who are on the Committee on Appropriations and heard the statement were acquiescing in it, or they would have arisen then and said, "No, I would not vote to suspend the rule with this provision out of the amendment," which in very large measure supersedes the powers of the Finance Committee to consider a proper excess-profits-tax bill at this session.

I assure the Senate that we will have an opportunity to consider such a bill, and, furthermore, it is proposed that the excess-profits tax be made applicable back to December 31, 1941, so that on contracts already performed and as to money already collected, both the personal income and the excess-profits normal and surtax provisions of the act will apply, even if the money was received since December 31.

Mr. President, that is the situation as it stands. This is a very important amendment. Without subsection (f) it puts a very heavy burden upon the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission. It puts a responsibility upon those officials which they will find it very difficult to discharge without slowing down the war program.

I was happy to go along with the suggestion of the acting chairman of the Committee on Appropriations after a conference this morning in which the Secretary of War, the Secretary of the Navy, the Chairman of the Maritime Commission, and other representatives of the Government participated, because I thought it would avoid this debate and would possibly avoid the injection of a matter into the consideration of the appropriation bill which, until the House conferees could return and meet with the Senate conferees, would almost certainly stop the execution of contracts.

The whole proposal will be in conference, under any circumstances, and the same committee which framed the amendment will be represented in the conference, according to the statement made this morning by the distinguished Senator from Tennessee. It did seem to me that that covered the whole proposal in a way which should be satisfactory.

I hope that no one will think for a moment that because we want to proceed here in an orderly and effective way any Senator desires to see exorbitant profits made. Taken as a whole, the amendment will furnish protection for legitimate contractors who have their own money invested, men who made America, who are making the machines with which to win the war, if we are to win it; but we would be opening the door to fly-by-night concerns, who are borrowing all their capital from Government itself, and are operating on shoestrings. The distinguished Senator

from Nevada [Mr. BUNKER] brought to our attention here the other day the case of a company with a minimum investment, with all its capital pledged by the Reconstruction Finance Corporation, which will take contracts under which it can make 10 percent. But the great concerns, which have their own capital and character builded into their plants, who must make the steel, who must make the guns, who must provide the instrumentalities with which we expect to win the war, will be penalized, and they can be cut down to a little profit of 2.1 percent.

I am not pleading for profits, however, but I now say that if we are going to measure profits by the size of the contract, we have a concept which I do not understand. If it takes 10 times as much work and 10 times as much material and 10 times as much genius to build a battleship as it does for some little fly-by-night to come here and borrow \$63,000,000 from the R. F. C., putting \$50,000 of its own money into a contract on which they can get 2 percent, I cannot understand why the other concern, which is building a battleship, is not entitled to profit at relatively the same rates.

I do not want any of these contractors to get high profits, and they will not get high profits, because we will be able to impose an excess-profits tax of not less than 90 percent, and if we take the normal at 40, or if we take the normal at 56, as the Treasury has recommended, then the excess-profits tax recommended by the Treasury will reduce all profits to a very small maximum.

I hope the Senate will not vote this particular subsection into the bill. I recognize that no Senator is bound not to vote as he pleases, but I came here prepared to resist the whole amendment, and hesitated very much not to do so under any circumstances, because suspension of the rule to consider important matters of this kind cannot be the best way to proceed. It is only when there is an extreme situation which needs immediate attention that we should, in my opinion, disregard all rules and suspend all rules. But such occasions do arise, so that there is provided a method for suspension. This is not a case of that kind. In this case certainly the Finance Committee should have an opportunity of studying conjointly with other committees of the Congress which have the responsibility this important proposal, which would very seriously handicap the Finance Committee in working out a tax program if the amendment with subsection (f) in it shall be retained and agreed to.

Mr. THOMAS of Oklahoma. On this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GREEN. Mr. President, there is merely one point I wish to make in connection with the discussion. I hoped I would not be obliged to speak on the subject at all, but it seems to me that so much of the discussion has been based on the assumption that subsection (f) and the schedule of maximum profit rates would limit the power of the Secretaries of the various departments to make con-

tracts, either for a larger profit or for a less profit, that I wish to draw attention for a few moments to the language of the bill.

As a member of the Appropriations Committee who voted with the great majority of that committee to report the bill favorably with this provision included, I wish to draw to the attention of my fellow Senators the fact that there is nothing in the bill to prevent the secretary of a department making a contract providing for an even larger profit than the 10 percent maximum stated in the schedule.

On page 6 of the committee amendment, if Senators will look at lines 1 to 5, they will find the provision that any profits on any contract in excess of the amount set out in the schedule—

shall be deemed to be excessive for the purposes of this section unless—

Note the word "unless"—

unless the secretary of the department concerned makes a specific determination that a greater profit is not excessive in the case of such contract.

In other words, if the secretary of a department makes a specific determination that a greater profit is not excessive in the case of any particular contract he may authorize a larger profit; so he is not limited by this schedule of maximum profits. On the other hand, it is not to be assumed that the secretary of any department will not provide for less profits than stated in this schedule, because after the schedule is set out, it is stated particularly—and this distinguishes it from the cost-plus contracts of the last war—that—

In the case of a contract entered into on a cost-plus basis, the costs of performing the contract shall be included in determining the contract price for the purposes of this subsection.

It further provides that—

The foregoing provisions of this subsection—

That is the schedule of maximum profit rates—

shall not be construed to mean that the secretary of any department may not deem profits equal to or less than the amount set out in the foregoing schedule to be excessive profits for the purpose of this section.

In other words, he is expected under the language of this measure, to agree to less profits than provided in the schedule.

Senators may ask then, What effect has the schedule? It has a purely psychological effect, and that psychological effect is twofold. In the first place, it has a psychological effect on the secretaries of the departments themselves. The Congress is not unloading the question onto these departments of the Government. The Congress itself has set up what it regards as a reasonable measure of profits in the average case. The Congress says, "In our opinion the schedule is a reasonable schedule of profits. The Congress will not criticize you in the average case if that is the schedule you adopt."

So in a certain sense there is a justification for the profits, but not in the special case where the price is too low



or the price is too high, according to the schedule.

The second point of psychological advantage—it is a subsidiary point, but it should not be ignored—is that the people of this country are calling for a limitation on prices. They want to have Congress make some provision with respect to the question of unlimited prices included in the contract. This provision encourages the public to believe that the standards set by the Congress will be adhered to in the main, and encourages the people to believe that we are acting on the matter, and not simply ducking it and postponing action until some other time, as we have done so frequently in the past.

For the reasons stated I feel it to be my duty to draw to the attention of the Senate the fact that this schedule is merely a suggestive schedule, and is not open to much of the criticism which has been leveled at it in the discussion today.

Mr. CLARK of Missouri. Mr. Presiding, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. The vote is on the motion of the Senator from Tennessee to strike out subsection (f) of the so-called original McKellar amendment, as amended.

The PRESIDING OFFICER. Yes. Subsection (f), as amended, which is proposed to be stricken out, will be set forth in the RECORD at this point.

Subsection (f), as amended, is as follows:

(f) Subject to the provisions of this section, the Secretary of each Department, separately or jointly with the Secretary of one or both of the other Departments, shall prescribe regulations which will, to the fullest extent practicable, indicate in advance the profits on contracts which will be deemed to be excessive for the purposes of this section. In prescribing such regulations, there shall be taken into consideration the amount and character of the personal services, equipment, material, and working capital, and the length of time likely to be required for performing various contracts and such other factors as are deemed appropriate by the Secretary or Secretaries prescribing such regulations. In any event, any profits on any contract in excess of the amount set out in the following schedule of maximum profit rates shall be deemed to be excessive for the purposes of this section unless the Secretary of the Department concerned makes a specific determination that a greater profit is not excessive in the case of such contract. A report of any such determination shall be made to the Congress within 30 days from the date thereof.

#### SCHEDULE OF MAXIMUM PROFIT RATES

Ten percent of so much of the contract price as does not exceed \$100,000; plus

Eight percent of so much of the contract price as exceeds \$100,000 but does not exceed \$500,000; plus

Six percent of so much of the contract price as exceeds \$500,000 but does not exceed \$1,000,000; plus

Five percent of so much of the contract price as exceeds \$1,000,000 but does not exceed \$5,000,000; plus

Four percent of so much of the contract price as exceeds \$5,000,000 but does not exceed \$20,000,000; plus

Three percent of so much of the contract price as exceeds \$20,000,000 but does not exceed \$50,000,000; plus

Two percent of so much of the contract price as exceeds \$50,000,000;

*Provided*, That in the renegotiation of two or more contracts with any person, firm, association, or corporation, the secretaries of the respective departments, as herein defined, shall have authority to consolidate such contracts with respect to profits to the end that such consolidated contract may come within the provisions of said schedule of maximum-profit rates: *Provided further*, That the determination of costs and profits allowed by the secretaries of the respective departments shall be final: *And provided further*, That insofar as is practicable the determination of profits shall be made for the fiscal year of the contractor.

In the case of a contract entered into on a cost-plus basis, the costs of performing the contract shall be included in determining the contract price for the purposes of this subsection. The foregoing provisions of this subsection shall not be construed to mean that the secretary of any department may not deem profits equal to or less than the amount set out in the foregoing schedule to be excessive profits for the purposes of this section.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a pair with the junior Senator from Kentucky [Mr. CHANDLER]. I understand that, if present, he would vote as I am about to vote. Therefore, I am free to vote. I vote "yea."

Mr. OVERTON (when Mr. ELLENDER's name was called). The junior Senator from Louisiana is unavoidably absent.

Mr. McNARY (when Mr. LA FOLLETTE's name was called). On this vote the senior Senator from Wisconsin [Mr. LA FOLLETTE] has a pair with the junior Senator from Pennsylvania [Mr. GUFFEY]. If the Senator from Wisconsin were present, he would vote "nay," and if the Senator from Pennsylvania were present, he would vote "yea" on this question.

Mr. DANAHER (when Mr. TOBEY's name was called). I announce that the junior Senator from New Hampshire [Mr. TOBEY] is detained on public business. If present, he would vote "yea."

Mr. RADCLIFFE (when Mr. TYDINGS' name was called). My colleague is unavoidably detained. If he were present, he would vote "yea."

The roll call was concluded.

Mr. CONNALLY. Earlier in the day when the vote was taken to suspend the rule I was absent because of a conference I was having with the Mexican Ambassador in my capacity as chairman of the Committee on Foreign Relations. Had I been present then I should have voted "yea."

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from New Jersey [Mr. SMATHERS] is absent because of illness in his family.

The Senator from California [Mr. DOWNEY] is detained on business at the War Department.

The Senator from Montana [Mr. WHEELER] is in the West, holding hearings on Indian matters.

The Senator from Mississippi [Mr. BILBO], the Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senator from Kentucky [Mr. CHANDLER], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], the Senators from Delaware [Mr. HUGHES and Mr. TUNNELL], the Senator from Connecticut [Mr. MALONEY], the Senators from Utah [Mr. MURDOCK and Mr. THOMAS], the Senator from Texas [Mr. O'DANIEL], the Senator from West Virginia [Mr. ROSIER], the Senator from South Carolina [Mr. SMITH], the Senator from Arkansas [Mr. SPENCER], and the Senator from Massachusetts [Mr. WALSH] are necessarily absent.

The Senator from Florida [Mr. ANDREWS], the Senator from Pennsylvania [Mr. GUFFEY], and the Senator from New York [Mr. WAGNER] are detained on public business.

Mr. AUSTIN. The Senator from New Jersey [Mr. BARBOUR] is absent on public business. If present, he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is absent as a result of an injury and illness. He has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Massachusetts [Mr. LODGE] is necessarily absent. He has a general pair with the Senator from Virginia [Mr. GLASS].

Mr. McNARY. The Senator from Nebraska [Mr. NORRIS] is absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] and the Senator from Nebraska [Mr. BUTLER] are necessarily absent.

The result was announced—yeas 40, nays 21, as follows:

#### YEAS—40

Aiken	Danaher	Overton
Austin	Davis	Radcliffe
Bailey	George	Reed
Ball	Gurney	Stewart
Barkley	Hayden	Taft
Bone	Herring	Thomas, Idaho
Brewster	Lucas	Truman
Brooks	McKellar	Van Nuys
Brown	McNary	Wallgren
Bunker	Maybank	White
Burton	Millikin	Wiley
Caraway	Murray	Willis
Clark, Idaho	Nye	
Connally	O'Mahoney	

#### NAYS—21

Bankhead	Holman	Mead
Bulow	Johnson, Calif.	Pepper
Capper	Johnson, Colo.	Reynolds
Clark, Mo.	Langer	Russell
Doxey	Lee	Schwartz
Green	McCarran	Shipstead
Hill	McFarland	Thomas, Okla.

#### NOT VOTING—35

Andrews	Glass	Smathers
Barbour	Guffey	Smith
Bilbo	Hatch	Spencer
Bridges	Hughes	Thomas, Utah
Butler	Kilgore	Tobey
Byrd	La Follette	Tunnell
Chandler	Lodge	Tydings
Chavez	Maloney	Vandenberg
Downey	Murdock	Wagner
Ellender	Norris	Walsh
Gerry	O'Daniel	Wheeler
Gillette	Rosier	

So Mr. McKELLAR's motion to strike out subsection (f) of the committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment offered on behalf of the committee by the Senator from Tennessee [Mr. McKELLAR] as amended.



Mr. DANAHER. Mr. President, is the bill open to further amendment?

Mr. McKELLAR. The pending amendment has not yet been finally disposed of.

The PRESIDING OFFICER. The question recurs on the amendment offered on behalf of the committee by the Senator from Tennessee, as amended.

Mr. DANAHER. Mr. President, I wish to offer an amendment by way of a perfecting amendment to the amendment of the Senator from Tennessee.

When we passed the First War Powers Act, approved December 18, 1941, we appended section 401 thereto, which reads:

Titles I and II of this act shall remain in force during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution, or the President, may designate.

Mr. McKELLAR. Mr. President, will the Senator repeat his statement? I did not catch it. My attention was distracted for a moment. I dislike to ask the Senator to repeat it.

Mr. DANAHER. The Senator from Tennessee is always so cooperative that I am happy to comply.

Mr. McKELLAR. I thank the Senator.

Mr. DANAHER. I ask the Senator from Tennessee to turn to page 7 of the amendment. I offer a new subsection, to be known as subsection (i). It may be briefly stated.

This section shall remain in force during the continuance of the present war and for 3 years after the termination of the war.

Mr. President, the idea back of that proposal is simple.

Mr. McKELLAR. Mr. President, I have no objection to taking it to conference.

Mr. DANAHER. While I appreciate the acquiescence of the Senator from Tennessee, let me state that there is nothing whatever in the pending amendment which would limit the period within which the order, the renegotiation of the contract, and ultimately the retention or withdrawal of profits may be undertaken under the authority of the amendment. The power is unlimited in any way. It seems to me that a reasonable period should be fixed by law within which the powers thus granted may be exercised. I think that a reasonable period would be 3 years following the termination of the war.

I wished that statement to appear as a matter of record, so that when the bill goes to conference there can be some objectivity, at least, on the part of our conferees with reference to a termination date.

Mr. McKELLAR. I am inclined to think that there ought to be a termination date, and therefore I shall be glad, so far as I can do so, to accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Connecticut [Mr. DANAHER] to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] is agreed to.

Mr. DANAHER. Mr. President, I ask the Senator from Tennessee to turn to line 7, on page 7. After the word "de-

partment", I move to amend by inserting the following:

in accordance with regulations prescribed by the President for the protection of the interests of the Government

That language, Mr. President, is a paraphrase, interpolated at the proper point in subsection (g), and is derived from Title II of the First War Powers Act. There should be some regulations, some directions, some standards prescribed by which there will be some uniformity of operation by the heads of the departments with reference to the delegation of authority contemplated under subsection (g).

Mr. McKELLAR. I have no objection to the amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Connecticut [Mr. DANAHER] to the amendment of the Senator from Tennessee [Mr. McKELLAR] is agreed to.

Mr. DANAHER. Mr. President, I now ask the Senator from Tennessee to turn to page 3 of the amendment. In lines 17 to 20 we find a sentence reading:

No suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor pursuant to the provisions of this subsection.

I move to amend by deleting that sentence.

Mr. McKELLAR. Mr. President, I hope the Senator will not insist on his amendment. I think there ought to be some change in that language; but the Senator's amendment would strike it out entirely. I hope the Senator will not insist on his amendment, and if he does insist on it, I think it should not be agreed to. I was frank with him with respect to his other amendments. I am frank with him with respect to this one. I think the language should be changed, but it can be changed in conference, and I have no doubt it will be changed.

Mr. DANAHER. I should like to explain my viewpoint with reference to this proposed amendment.

So far as I know there is in no existing statute a denial of recourse by American citizens to our courts. So far as I know there has never been a denial of the right of a citizen to bring suit arising on a contract. When the fifth amendment to the Constitution was adopted it expressly provided that no citizen shall be deprived of his property without due process of law.

The remainder of subsection (c), in which this sentence appears, makes it apparent that the secretary of each of the departments is to be able to take into consideration outstanding contracts to the number, we are told, of probably 3,000,000, and to revalue and renegotiate all those contracts. Surely there is deprivation of due process involved in such action. I cannot believe that such a thing would be legal. I cannot believe that it would not do violence to our understanding of what the powers and rights of the departments should be under this or any similar legislation.

From the last two lines of subsection (c) on page 3 it becomes apparent that so long as final payment pursuant to the contract has not been made prior to the

date of enactment of this act, all past contracts may be gone into, and the individual who has a right under any such contract is to be denied recourse to the courts.

I have no question that the Senator from Tennessee has in mind that we could write into the bill a clause which would be prospective in operation, and which would apply to all contracts to be written in the future. I have no doubt that we can make any statute a part of a contract which we authorize a department of Government to enter into. However, I do not believe that we have any right, power, or legal authority retroactively to deny to our citizens rights under their contracts, and, above all, to deny them a suit in court.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. DANAHER. I shall be glad to yield in a moment.

With such thoughts, Mr. President, it seems to me that the best possible way to reach this situation in conference is to strike out the offending sentence, which would deny to citizens the right of access to the courts; and then in conference, when the conferees rewrite this section in some particulars, they can properly make the language apply prospectively to all contracts hereafter rewritten, or renegotiated, as the case may be. Mr. President, we should not deny for many months—perhaps years—after the execution of the contracts the right of access to the courts by an individual citizen deprived of his rights. He should have the right to go to court and test his rights.

I now yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, there is no provision in the House bill prescribing how one may go into court or be deprived of the right to go into court. If this provision were stricken out there would be nothing in conference about the matter. With this provision left in, and nothing in the House bill about it, the conferees could draft any provision they thought desirable.

I am wondering whether the Senator from Connecticut has in mind any language which he would substitute for the present language, so that the matter could be taken to conference and be threshed out in conference. If the Senator has some such language in mind, I shall be glad to have him state it.

Mr. AUSTIN. Put in a limitation of time, and that will take care of it.

Mr. McKELLAR. Yes; if the Senator from Connecticut will suggest a limitation of time, or will rearrange the provision so that the whole matter can be taken to conference, I shall be glad to have him do so. However, when he moves to strike it out, if that motion shall be agreed to we shall have no power at all over the matter in conference. I hope the Senator will not insist on his amendment.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. DANAHER. \*I yield to the Senator from Maine.

Mr. WHITE. Let me say that I should dislike to see this language go to confer-



ence, because it seems to me it is an utterly unconscionable and utterly unjustifiable provision. What it would do would be to deny a citizen of the United States the right to go into court and seek to recover what a secretary might have determined, without any standard whatsoever, to be an unjust profit. In other words, without any standard laid down in the bill, any secretary would be able to determine that this, that, or the other amount received by a contractor would be an excess profit.

I simply cannot see that. I simply cannot think of this as America if we are to say that our citizens cannot go into court and test their right to money which, as contractors, they may or may not have earned under a contract with the Government of the United States.

Mr. DANAHER. Mr. President, of course, I share the sentiment of the Senator from Maine. I believe it to be absolutely correct. We should recall that in subsection (d), on page 4, the department head will be authorized to provide for salaries for officers or employees not in excess of a reasonable amount, and he may make allowance to the individual contractor for what he says shall not be deemed excessive reserves. It does not say what the reserves are for, whether they are for amortization, or what the particular type of reserves may be. It simply says that the department head may say that they are excessive or not, as he decides, according to standards which he proclaims, and they may be different standards, depending on the department which invokes the act.

Indeed, Mr. President, the next subsection—subsection (e), which requires that contractors shall file such detailed statements at such times and in such forms as the Secretary may require—then proceeds to say that the powers conferred by the subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor. We can actually envisage the case of Mr. Knox saying to Mr. Stimson, "You keep away. Let me act. This contractor has more contracts with me than he has with you. He has larger contracts with my Department than he has with yours. Besides, my people, my engineers, my standards are higher; my tests are more precise;" and we are going to make certain that there will be no trace of excess reserves left to the Senator from Maine or the Senator from Tennessee, or his agents and nominees and contractors, whoever they may be. That is a preposterous thing, Mr. President.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. McKELLAR. The purpose of that language undoubtedly was—I did not write it, but I know what the purpose was—to require the contractor to enter into the negotiations which are specified in this subsection of section (c). Would it not meet the requirements the Senator suggests, and would it not meet every requirement, to have it read in this way:

No suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor pursuant to the provisions of this subsection until the remedies provided for in this subsection have been pursued.

Mr. DANAHER. What remedies, let me ask the Senator, does he find in that subsection, or in this section?

Mr. McKELLAR. I will state them to the Senator:

The secretary of each department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such department, (1) to require the contractor to renegotiate the contract price—

Suppose the contractor did not do it?

(2) to withhold from the contractor any amount of the contract price which is deemed by the secretary to represent excessive profits, and (3) in case any amount of the contract price deemed by the secretary to represent excessive profits shall have been paid to the contractor, to recover such amount from such contractor.

It seems to me that the suggestion I made, or some language similar to it, would cover the suggestion made by the Senator, namely, that the contractor surely ought not to be permitted to enter suit until after the section has been complied with.

Mr. DANAHER. The Senator certainly has not forgotten that in the original Conscription Act we authorized the secretary to go to any contractor, to any industry, to an entire industry if he chose, and say, "Here is an order; take it," on the terms and on the conditions described by the secretary; and if the contractor does not take it the Government may take his whole plant, indeed his whole industry, away from him.

Mr. McKELLAR. That is a great deal worse than prohibiting him from bringing a suit; but I realize the force of the point the Senator has made. I think unquestionably the language should be "until after the requirements of this act have been complied with;" and, if the Senator will frame the language, I shall be very happy to accept it.

Mr. DANAHER. Very well. Mr. President, I am going to withdraw the amendment to strike out that particular sentence and substitute in lieu thereof the following, inserting some new words:

No suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor on account of any contract hereafter entered into pursuant to the provisions of this subsection.

I move the adoption of that amendment.

Mr. McKELLAR. Mr. President, 1 minute. I believe it would be better still to have a time limit within which it may be done. I do not like to close the courts to anybody. That language would close them. What I suggested was not to permit the contractor to use the courts until after the provisions of this section have been complied with. I think they ought to be complied with by both the Government and the contractor, and suit ought to be permitted after that; and, if the

Senator will rearrange his language, I shall be very happy to accept it.

Mr. DANAHER. Mr. President, the Senator from Tennessee has done me the good turn of saying, in his last exchange here, what I hoped he would state; namely, that he agreed in principle with what I was trying to establish. So long as he agrees with that, so long as he does not want to close the courts to American citizens, and so long as he wants to give them a right to go into court and sue on their contracts, which is what I want to have them have a right to do, and he has so stated; I know that we can easily work out a solution of this problem. Consequently, I withdraw the amendment previously suggested which elicited that comment from the Senator from Tennessee, and move the following in line 17:

After the expiration of this act, no suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor—

And so forth.

Mr. McKELLAR. I accept the amendment.

Mr. DANAHER. I thank the Senator.

Mr. O'MAHONEY and other Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I was trying to get the attention of the Chair in order that I might address an inquiry to the Senator from Connecticut. May I ask the Senator to restate the fifth substitute for his original amendment?

Mr. McKELLAR. I think, in fairness to the Senator from Connecticut, it ought to be said that he did that largely at my suggestion, for which I thank him.

Mr. DANAHER. Mr. President, so that there will be no confusion in the mind of the Senator from Wyoming—not that I apprehend that there is any, but I want to make certain—in line 17, I move to interpolate these words:

After the expiration of this act, no suit or action—

And otherwise, without change, re-adapt the language.

Mr. O'MAHONEY. Do I correctly understand the Senator to say "After the expiration of this act"?

Mr. DANAHER. That is correct—of this section.

Mr. O'MAHONEY. So that what the Senator is saying, then, is that any person who makes excessive profits and who is adjudged as having made excessive profits, may sue while this act is in force—this act which is intended to prevent excessive profits—but after the act has ceased to be effective he may not sue?

Mr. DANAHER. No; that is not the way it is stated, I am sure.

Mr. O'MAHONEY. That is exactly what the Senator said.

Mr. BARKLEY. Mr. President, if the Senator will reread his language, if he then still thinks he is following the suggestion of the Senator from Tennessee I think he will find himself grievously mistaken. What the Senator from Tennessee suggested was that nobody be al-



lowed to bring suit until the requirements of this subsection have been complied with. What the Senator has done in his language is to say that after the expiration of this act nobody may bring suit, which is a different proposition.

Mr. DANAHER. That is what it says.

Mr. McKELLAR. That means after three years. It is a mere statute of limitations, and I do not see there should be difficulty about that. I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut to the amendment offered by the Senator from Tennessee on behalf of the committee.

The amendment to the amendment was agreed to.

Mr. BARKLEY. Mr. President, we are very anxious to dispose of the pending bill before we take a recess this afternoon, and I hope Senators will be patient and remain in the Senate until we have concluded the consideration of the bill.

Mr. TAFT. Mr. President, I offer a substitute for the amendment proposed by the Senator from Tennessee.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The amendment, in the nature of a substitute, is as follows:

SEC. 402 (a). The Secretary of War, the Secretary of the Navy, and the Maritime Commission are hereby instructed to insert in every contract for an amount in excess of \$100,000 hereafter made by such department, (1) a provision for the retention by the United States, or the repayment to the United States, of any amount of the contract price which represents excessive profits, determined as hereinafter provided, (2) a provision requiring the contractor to insert in every subcontract for an amount in excess of \$100,000 made by him under such contract a provision for the retention by the United States, or the repayment to the United States, of any amount of the contract price representing excessive profits, determined as hereinafter provided, and (3) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

(b) All sums provided to be paid by the contract in excess of the contractor's cost, plus a percentage of the contract price determined as hereinafter provided in paragraph (c), shall be deemed to be excessive profits for the purposes of this section. The cost of performing contracts shall be determined in accordance with the method of cost accounting regularly employed in keeping the books of the contractor in question, but if no such method of cost accounting has been employed, or if the method so employed does not in the opinion of the War Profits Board hereinafter created clearly reflect such cost, such cost shall be determined in accordance with such method as in the opinion of said Board does clearly reflect such cost. In the case of a contractor which does not regularly employ a method of cost accounting in keeping its books, such contractor may, with the approval of the secretary, determine the allocation of indirect costs to be made to contracts according to the ratio of direct cost of performing contracts to total costs. Irrespective of the method employed by any contractor for determining costs of performing contracts, no item of cost shall be charged to the performance of any such contract, or used in any manner for the purpose of determining

the cost of such performance, unless such item would have been chargeable against such contract if such contract had been subject to the provisions of section 3 of the act of March 27, 1934 (known as the Vinson-Trammell Act), prior to the enactment of the Second Revenue Act of 1940. In determining cost no allowance shall be made for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount as determined by the War Profits Board; nor shall any allowance be made for any excessive reserves set up by the contractor, or for any other costs incurred by the contractor which are found by the War Profits Board to be excessive and unreasonable. All taxes, except excess-profits taxes, normal corporation income taxes, and corporation surtaxes, may be included as part of the cost. The War Profits Board shall prescribe uniform regulations, listing those items of cost which shall be disallowed under this paragraph.

(c) There is hereby created a War Profits Board, to be made up of the Secretary of War, the Secretary of the Navy, the Chairman of the Maritime Commission, the Secretary of the Treasury, and the Chairman of the War Production Board. Each of such members shall have the right to appoint a substitute to serve as a member of the Board and perform all of the functions of such member. Such Board shall forthwith classify all contracts in as many classes as it may determine, giving due regard to the character of the article or service involved, the nature of the contract, the amount of capital required in manufacturing, service or other activities essential to performance of the contract, the rate of turn-over, and other factors. The Board shall then determine in the case of each such type of contract the proper percentage of total contractor's cost (or other definite allowance for profits on a fixed fee, sliding scale, or otherwise), which in its opinion will return to the contractors entering into such type of contract approximately 5 percent per annum on the capital which they have invested in their business, net after Federal excess-profits taxes, normal corporation income taxes, and corporation income surtaxes.

(d) The War Profits Board shall make uniform regulations with regard to the proper method of determining costs and percentage of cost. The Secretary of the Treasury shall provide the clerical assistants and other personnel required by the War Profits Board to perform the functions prescribed by this section.

Mr. TAFT. Mr. President, the substitute I am offering is somewhat amended from the form in which it was printed and is on the desks of Senators. The principal difference is that instead of leaving the question to the discretion of the Secretary of War and the other officials to say what is an excessive profit and what is not, as the amendment at present reads, it proposes to set up a War Profits Board, made up of the Secretary of War, the Secretary of the Navy, the Chairman of the Maritime Commission, the Secretary of the Treasury, and the Chairman of the War Production Board, which shall prescribe different types of contract, and the method in which the profits shall be limited, the percentage of profit, or the fixed fee, or the sliding scale, or whatever method may be adopted.

The point I am trying to make is that, in my opinion, persons who have contracts with the Government should know in advance, by definite regulation, how their costs and profits are to be determined. The principal objection I have

to the McKellar amendment is that it leaves it wide open in every case to the Secretary of War or the Secretary of the Navy or the Chairman of the Maritime Commission to say that any profit is excessive. Not only the present Secretary of War, or Secretary of the Navy, but the Secretary 5 years from now, could say, "I think 1 percent is enough," and could recover all the rest, although the amount had been paid, and the contractor had earned the money which he had received. The proposal of the substitute is to establish a board which shall definitely determine the regulations.

I wish to add that personally I do not think a satisfactory provision for limitation on contracts can be worked out. I think my provision would be more successful than an attempt to base the regulation on a fixed fee. I think we must recognize that different kinds of articles must have different fixed fees, if there are to be fixed fees, airplanes one thing, battleships another, shoes another, clothing another, that someone has to determine what it shall be, if fixed fees are insisted on. But I do not see how we can work out a limitation on a particular contract without going right back to the old cost-plus basis, which was discredited in the World War and should be discredited now.

I think the only way to limit profits is by a limitation on the net profit a man earns over a 12-month period, for the determination of which we have already set up the machinery in the Treasury Department. I feel very strongly that the whole theory behind the amendment is wrong, and that we should not send anything to conference, but if there is to be something it seems to me that the philosophy underlying my substitute is sounder than that of the McKellar amendment.

I should like to ask the Senator whether he thinks that in the present status of affairs, if the McKellar amendment shall be adopted, my proposal can be considered by the conference committee, and whether in all probability it would receive consideration.

Mr. McKELLAR. Unquestionably it can be considered under the rules of the House and the Senate, and I should be very happy to give it every consideration, so far as I am concerned.

Mr. TAFT. I take it that what the Senate did when we voted earlier in the day was to delegate to the conference committee the problem of working out a limitation of profits. I cannot see how the vote could be interpreted as decisive of anything else. I have been greatly pleased by the fact that many voted to suspend the rule, notably, the Senator from Missouri and the Senator from Georgia, and stated that they thought it was all wrong to have any profit limitation at all except on excess profits, perhaps, and that has been the position taken by every one who has studied the problem up to this time. I think it is unfortunate that the matter goes to conference at all, but if I am correct in believing that the Senate is really delegating to the conference committee the writing of a profits limitation, I am perfectly willing to let my substitute go to the committee, under the statement of



the Senator from Tennessee that it can be considered by the conferees, and I shall withdraw it for the present.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio to the amendment of the Senator from Tennessee is withdrawn.

Mr. McKELLAR. Mr. President, I overlooked presenting an amendment which was suggested by the Department. On page 4 of my amendment, at the end of line 18, I propose to insert.

Each such Secretary may, whenever he deems it appropriate or in the interest of economy or the avoidance of duplication of inspection and audit, request the services of the Bureau of Internal Revenue for the purposes of making examinations and determinations with respect to profits under this section, and the Bureau of Internal Revenue shall make such services available for such purposes.

I have submitted the amendment to the distinguished chairman of the Committee on Finance, and he sees no objection to it going to conference. I hope it may go to conference. I am not sure about it myself. It may save a great deal of duplication of service, and therefore save money, and for that reason I should like to have it agreed to.

Mr. GEORGE. Mr. President, as I interpret the amendment—and the Senator from Tennessee agrees with my interpretation—it does not relieve the Secretary of the Navy or the Secretary of War or the Chairman of the Maritime Commission of responsibility. It merely permits them to make use of the Bureau of Internal Revenue for the purpose of ascertaining facts.

Mr. McKELLAR. That is my understanding.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] to the amendment.

The amendment to the amendment was agreed to.

Mr. LUCAS. Mr. President, a moment ago the Senator from Ohio raised a question which interested me, with respect to the duty of the conferees in dealing with a limitation on profits. Am I to understand that the conferees will take up the subject and deal with it thoroughly and adequately in the conference between the House and the Senate?

Mr. McKELLAR. Under the rules of the Senate, even if we did not want to, we would be compelled to do so. During the time I have been a Member of the Senate I have served on many conferences, and we have had the most active and vigorous conferences imaginable.

Mr. LUCAS. As I understand, the Senator expects to have all the members of the subcommittee of the Committee on Appropriations, 14 in number, as a group, appointed conferees, and I presume the House will do likewise.

Mr. McKELLAR. The House has taken similar action, and that was one of the reasons why I made the suggestion.

Mr. LUCAS. That is, some 25 in number?

Mr. McKELLAR. Yes.

Mr. LUCAS. In other words, there will be 39 sitting around the table.

Mr. McKELLAR. No; I do not think there are 25 in the House; I think there are about 12 or 13 in the House and about the same number in the Senate. But many will not be present. Many are absent from the city, as the Senator knows, and I think in the peculiar circumstances surrounding the bill, it might help to have as many of the Senate subcommittee as possible on the conference committee, and for that reason I am making the suggestion.

Mr. LUCAS. It has been repeatedly stated on the floor by Members of the Senate that the pending bill will definitely slow down war production.

Mr. McKELLAR. If I thought it would have that effect, I should not be for it.

Mr. LUCAS. I am thinking of what the Senator from Missouri [Mr. TRUMAN] and the Senator from Minnesota [Mr. BALL] have stated, and I think the Senator from Georgia [Mr. GEORGE] made some reference to the matter.

Mr. McKELLAR. I repeat, if I thought it would slow down production, I should not be for it.

Mr. LUCAS. If the bill, in its very nature, is a slowdown measure so far as war production is concerned, I am wondering how much further the war effort will be slowed down if the conferees are going to sit for any great length of time attempting to work out a very delicate formula, as I understand it must be, insofar as limitation of profits is concerned. It seems to me that a contractor would hesitate and pause if conferees are going to sit for any great length of time to prepare a formula which will limit profits. If that is the case, I cannot help definitely agreeing with those who say that the measure will slow down the war-production effort. That is my only interest in rising; it has been my only interest in the discussion all the way through. It was because I do not want to see war production slowed down that I voted originally with the Senator from Ohio against the motion to suspend the rule, because it seems to me we have been taken off our feet to some extent because of what the House did in the last moments of the consideration of the bill, when there were present on the floor of the House only about 56 Members.

If the Senate had stood firm and not agreed to what the House did, and permitted the limitation of profits to come up in the regular way, ultimately through the Finance Committee, I think it would be much better from the standpoint of war production and from the standpoint of providing ultimately the kind of limitation of profits which the country ought to have. If it shall be worked out in conference and done properly it will take a long time, in my humble opinion.

Mr. McKELLAR. Of course, the Senator is entitled to his views. I differ with him all along the line.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. What is the pending question now?

The PRESIDING OFFICER. The amendment which the Senator from

Tennessee [Mr. McKELLAR] offered on behalf of the committee, as amended, is now before the Senate.

Mr. PEPPER. What became of the Taft substitute?

The PRESIDING OFFICER. The Senator from Ohio withdrew it.

Mr. PEPPER. I should like to make an inquiry. I wish to ask the Senator from Tennessee whether he would consider one of the amendments of which I gave notice yesterday, which embodies imperfectly the plan known as the Baruch plan, to be germane if offered as a substitute for the so-called McKellar amendment?

Mr. McKELLAR. I should be compelled to answer that in the negative.

Mr. PEPPER. Will the Senator yield once more?

Mr. McKELLAR. Yes, indeed.

Mr. PEPPER. Of course, the purpose of the House provision was to progress the war by the limitation of profits, and the purpose of my amendment is to do the same thing, to progress the war by the limitation of profits and fix an overall price ceiling; but, of course, if the Senator feels that it would not be germane, then I would have to offer it separately under the notice given.

Mr. McKELLAR. Yes; I should have to take that position about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR], as amended, to insert in the bill a new section 402 (a).

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McKELLAR. I have two further amendments. The first one will need explanation. I think the other one has already been explained. The Director of the Budget, Mr. Smith, came to see me this morning about a certain matter. He said that the work in his office has piled up tremendously. Personally I know his statement to be true, and I presume every other Senator knows that the Bureau of the Budget has had an almost intolerable burden placed upon it in the last two months.

The law now provides for an assistant director, and the Director of the Budget is very anxious to appoint an assistant director. He wants one appointed at the same salary he himself is now getting. Ordinarily the assistant director would get \$9,000, as I recall, but the Director wants Congress to authorize an assistant director at \$10,000. He went into the matter with me in some detail.

His proposal has the approval of the President. Those of us who know what the Director of the Bureau of the Budget has to do will realize that he should have a competent assistant. The amendment is on page 20, after line 19, to insert the following language:

Executive Office of the President.

Bureau of the Budget.

The salary of the Assistant Director of the Bureau of the Budget shall be at the rate of \$10,000 per annum after the date of the enactment of this act.

Mr. President, this is a small matter, it is true, in one sense, and in another



sense it is a very important matter, because I do not see how one man can do the work of Director for any great length of time. I shall ask the Senate to agree to the amendment and let it go to conference.

Mr. McCARRAN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. Is not that amendment in the nature of legislation? Does it not create a new office?

Mr. McKELLAR. The Office of Assistant Director is already provided for, but it is not at the salary of \$10,000. I hope the Senator will not object to the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Tennessee [Mr. McKELLAR] on page 20, after line 19.

The amendment was agreed to.

Mr. McKELLAR. The last amendment I have, Mr. President, deals with the matter concerning which I spoke on the floor of the Senate yesterday. On page 48, line 19, before the period, it is proposed to insert the following language:

*Provided, That purchases of automobiles heretofore made at prices not in excess of those herein authorized are hereby authorized and validated.*

Those are the Ford automobiles which went to the War Department at a cost of \$770 when the limit of cost was \$750. The entire amount in money involved is \$193,000.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Arizona to explain that amendment.

Mr. HAYDEN. The advantage of agreeing to the amendment at this time is that if it is agreed to the Government can take a discount of \$60,000 on that sum of money, whereas if the appropriation is made later, the time limit on the discount provided for in the contract will have elapsed, which will result in the Government losing \$60,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] on page 48, line 19.

The amendment was agreed to.

Mr. McKELLAR. That completes the committee's amendments.

Mr. McCARRAN. Mr. President, on page 48 of the bill, in line 14, after the words "Navy Department," I offer an amendment to insert the words: "The Commissioners of the District of Columbia, in the case of the government of the District of Columbia."

I ask that that amendment be agreed to and taken to conference.

Mr. McKELLAR. I shall be glad to take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

The amendment was agreed to.

Mr. PEPPER obtained the floor.

Mr. BUNKER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BUNKER. Mr. President, for the sake of the record I should like to draw the attention of the Senate to subsection (f), which was stricken from the committee amendment. I wish to point out that by the liberal terms of that subsection, had it been retained, the Senate would have voted to allow a company operating in my State at this time on an admitted and a questionable capitalization of \$50,000 a profit of \$1,260,000 on a \$63,000,000 contract, and \$1,400,000 on a \$70,000,000 contract. I am not prepared to do so at this time, but later this week I shall show the Senate that to date, and particularly in this instance, in which the contract was let in August 1941, the War Department, the Defense Plant Corporation, and the Light Metals Division of the War Production Board have not kept faith with the taxpayers of the Nation in regard to excessive and unconscionable profits in the allocation of contracts. I hope the conference committee will take into consideration, when it sets the limit on profits, the amount of money which a company has invested in carrying out a contract.

Mr. McKELLAR. As I understand, the Senator is referring to the case about which he spoke on the floor of the Senate a day or two ago.

Mr. BUNKER. That is correct.

Mr. McKELLAR. I believe that under the terms of the amendment that matter will undoubtedly be taken care of. It certainly ought to be. I think it is one of the most remarkable instances of fraud against the Government of which I have heard.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BUNKER. I yield.

Mr. McFARLAND. The Senator does not mean that the Senate would have voted that amount of profit. He means that that is the limit of profit which the company could have obtained. The Senate would not have been voting the company that amount of profit.

Mr. BUNKER. I mean to say that that amount would have been permissible under subsection (f), which has just been rejected by the Senate. That is why I could not vote for it.

Mr. PEPPER. Mr. President, I assure the Senate that I shall be brief. I am proposing to take up an amendment to House bill 6868 with respect to which I gave written notice in the Senate yesterday afternoon. The amendment is as follows:

*It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature, as an initiation fee or charge which is made a condition precedent to the right, or opportunity, to work upon any war work, as defined by the War Production Board. Any person violating this provision shall upon conviction be punished by imprisonment not exceeding 1 year or by fine not exceeding \$1,000.*

Before I make the motion to suspend the rule, which will, of course, be necessary, notice with respect to which was

given yesterday, I should like to say a word about the amendment.

As a Member of the Senate I have voted almost invariably for things which organized labor expected of the Congress. However, in the past few weeks I have come to the solemn conclusion—not without difficulty—that the time has come when the friends of labor must stand up and do things which in the long run will, I know, be for the best interests of labor.

Every day I am receiving telegrams and letters from Florida advising me that not only citizens of Florida but personal friends of mine have already given their lives for their country in this great struggle. I hope I am mistaken, but I foresee nothing ahead of us except a long, bitter, bloody struggle which will come near to draining white the people of the United States of America. When I go back to Florida and look into the face of a mother who has already given her son, and with her knowing that in the same town somebody is practicing a form of piracy upon American citizens who are trying to help the soldiers get equipment, which I have not tried to prevent, I cannot feel that I have been living up to my obligation as a Senator or as a citizen.

If only moderate fees had been charged there would have been little complaint, no doubt, but the amount has greedily been increased until it has become a real burden and a flagrant abuse.

This has not been an easy decision for me because, not having been on the side of those who were opponents of labor, and now appearing to oppose labor, I suppose I shall be left without the support of either group; but in case that should occur I dare say it would not make a great deal of difference to the country. If I had to pursue a contrary course and receive a contrary reward I should not be very happy about it.

I have offered this amendment in order that it might be added to the bill. I realize that we do not like to take an appropriation bill as a subject of legislation, but we have already done so in one instance.

This is not a complicated amendment. It is simple in its provisions. Everybody knows the evil to which it is addressed. It is an abuse which has grown up. I think that if labor will purge itself of this practice, as it is required to do under my amendment, its standing with the American people will protect it against greater injury which otherwise will be inflicted upon it later. Therefore, Mr. President, I move that paragraph 4 of rule XVI be suspended, pursuant to a written notice which I gave yesterday afternoon, in order that I may offer the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

Mr. McKELLAR. Mr. President, the first question is on the motion to suspend the rule. I make the point of order against the proposed amendment, and I wish to state why I do so.

The PRESIDING OFFICER. Will the Senator from Tennessee permit the Chair



to make a statement? The Senator from Florida has made a motion to suspend the rule so that he may offer an amendment. The motion to suspend the rule is the question now before the Senate.

Mr. PEPPER. I ask for the yeas and nays.

Mr. BARKLEY. Mr. President, does the Senator from Tennessee intend to discuss the motion?

Mr. McKELLAR. Only briefly.

Mr. BARKLEY. I wish merely to make this observation: Today the Senate has been required to consider extraneous legislative matters outside the appropriation bill because that bill came to us from the House with a legislative proposal in it, so we could not avoid giving it consideration.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McKELLAR. Not only that, but the committee has already given that proposal the most careful and scrutinizing consideration. We have not given any consideration whatever to the amendment of the Senator from Florida. It has not been brought before the committee. It has been offered only after the bill has reached the floor of the Senate. For that reason I must make the point of order. The Senator now moves to suspend the rule. I think the rule ought not to be suspended in such a case, because the committee has given no consideration whatsoever to the proposal.

Mr. BARKLEY. I agree with the Senator from Tennessee. Of course, we are all concerned about the things we read and hear in regard to abuses which are claimed to exist with reference to initiation fees. That subject is the heart of what the Senator is seeking to reach. I think that aside from the question of policy involved, a committee qualified to do so ought to look into the constitutional power of Congress to say to a carpenter's union in some town in any State what it shall charge as an initiation fee. It may be that a State legislature could do so, and it may be that it ought to do so; but I think there is some question whether Congress, even in connection with war contracts, may say to an electrical union, a carpenter's union, a plumber's union, or any other local labor organization, whether affiliated with the A. F. of L. or the C. I. O., what it may charge as an admission fee for membership in the union.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I shall be glad to yield in a moment.

That question arises under the amendment because the Senator proposes to reach a case in which such a fee is charged as a condition for obtaining employment. The question would arise in any case in which the War Department, the Navy Department, the Maritime Commission, or any other Government agency had entered into an agreement with respect to the employment of members of labor organizations.

If there were such an arrangement within the War Department, the Navy Department, or any other department, no matter how small the initiation fee

that might be charged, even if only \$1, it might be claimed that the person had to pay the fee in order to get into the union and in order to obtain employment; and, if the fee were accepted, the penalty would apply, and it would apply also to the person who paid the fee, even though it might be only a dollar—which is, of course, a ridiculously low fee.

We have heard a great deal of publicity about the exorbitant fees which have been charged in some cases. The Senator from Kansas [Mr. REED] made a statement on the floor the other day in which he said that the labor organizations have collected \$30,000,000. It so happens that that is an average of about \$30 a piece, because an additional million men have joined organizations of one kind or another; so the average is about \$30 a person, as I understand.

However, the whole trouble lies in the question whether Congress can go down into any local community and, by law, say how much a man shall pay in order to get into a lodge; whether, if we had the power to do that, this is the way to do it; whether it is wise to attempt to provide for it on an appropriation bill. I do not believe it is. I do not believe this is the way to legislate. I think the power and the policy and the facts involved—we are not familiar with them; we have seen newspaper reports, but we do not know what the facts are—ought to be gone into by a legislative committee, so that when we have legislation before us on this subject, if we shall have, we will know how much is true, how much is false, and how much should be discarded, if we can discard any of it.

For that reason I think it is unfortunate to seek, without any information or any investigation by a committee, by suspension of the rule, to put this kind of legislation or any other legislation on an appropriation bill.

As I said earlier today, I would have voted against suspending the rule to put in the bill even the amendment offered by the Committee on Appropriations if such a provision were not already in the bill, so that we could not ignore it or avoid dealing with the subject.

For that reason I shall have to vote against the motion of the Senator from Florida to suspend the rule.

Mr. PEPPER. Mr. President, I appreciate what the Senator has said. I only want to call the attention of the Senate to the fact that the prohibition would apply only in case payment of the fee is made a condition precedent to the right to work in defense work, as defined by the War Production Board. If the practice does not exist, the prohibition could not do any harm; and we know that where there is so much smoke there must be some fire.

Mr. BARKLEY. Of course, no matter how legitimate might be the entry of any man into a labor organization by the payment of the regular fee, it might be charged that he had been required to pay the fee in order to get a job.

Mr. PEPPER. But, of course, the charge would have to be proved before there could be any conviction under the statute. That would be a question of fact.

Mr. BARKLEY. Of course, if a man is charged with the commission of a crime, the charge must be proven before he can be convicted. However, under the suggested language, the penalty would be laid at both ends of the transaction—on the one who got in and on the one who let him in.

Mr. PEPPER. The provision is suggested in order to stamp out this vicious practice which has brought us, by not correcting it, into more disrepute than almost anything else I know of has done.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from North Carolina.

Mr. REYNOLDS. As I understand, the Senator is desirous of asking that the rule be suspended in order that he may offer an amendment.

Mr. PEPPER. That is correct.

Mr. REYNOLDS. What does the Senator's amendment call for?

Mr. PEPPER. It provides as follows:

It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature, as an initiation fee or charge which is made a condition precedent to the right, or opportunity, to work upon any war work, as defined by the War Production Board. Any person violating this provision shall upon conviction be punished by imprisonment not exceeding 1 year or by fine not exceeding \$1,000.

Mr. REYNOLDS. Mr. President, I desire to say a word or two about that matter.

Mr. REED. Mr. President—

Mr. REYNOLDS. I believe that any man in America who is able bodied and who wants to aid his Government—

Mr. TAFT. Mr. President, a point in order. Is the Senator from North Carolina addressing the Chair?

The PRESIDING OFFICER. The Senator from Florida [Mr. PEPPER] has the floor.

Mr. REYNOLDS. I understand that I have the floor. The Senator from Florida yielded to me.

Mr. PEPPER. I yielded to the Senator from North Carolina.

Mr. REED. Mr. President, may I inquire—

The PRESIDING OFFICER. Did the Senator from Florida yield the floor to the Senator from North Carolina?

Mr. REYNOLDS. The Senator from Florida yielded to me temporarily.

The PRESIDING OFFICER. The Senator from Florida still has the floor.

Mr. REYNOLDS. He still has the floor.

Mr. REED. Mr. President, I was under the impression that the Senator from Florida was about to yield to me.

Mr. REYNOLDS. The Senator from Florida has asked that the rule be suspended in order that he may offer an amendment to this bill to the effect that any American citizen who is desirous of working in an industry engaged in the manufacture of war materials for defensive or offensive purposes may do so without paying an initiation fee, or an entrance fee, or a fee providing him with the right to work for the Government of the United States.

I desire to say a few words about this matter; and I do not propose to apolo-



gize to my colleagues for speaking my thoughts now, for the very reason that the people of America are today demanding that we register our attitude concerning the conduct of certain labor organizations. The people of America are demanding that we let them know how we stand, whether we are going to permit this practice to continue, or whether we are going to endeavor to stop it by some legislation in this body.

I repeat that I believe that any and every able-bodied man, or woman for that matter, who is desirous of aiding the Government in the preparation of its defensive or offensive program should be permitted to go into a factory or plant and work. If he or she is a man or woman of good character, an American citizen, either native born or naturalized, he or she should be permitted to work now, when our country is in peril.

Mr. President, my distinguished colleague the Senator from Tennessee [Mr. McKELLAR], for whom I have the greatest admiration and affection, has said to us that this is not the time or the place for the acceptance of legislative proposals of this sort in the form of amendments. I very much dislike to disagree with him. Perhaps he is right; but I believe that the time to do anything of this sort is to do it now, while we have the opportunity, because I seriously doubt if we shall ever have another opportunity to vote upon the Senator's proposal.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield to the Senator, if I may be permitted to do so. I am speaking by the courtesy of the Senator from Florida.

Mr. McKELLAR. As I understand, the Connally bill has been set as a special order of business for the 20th of this month, and today is the 7th. An amendment could be easily offered to that bill for this very purpose, so that the delay would not be very great. That is what I recall about the matter.

Mr. REYNOLDS. I thank the Senator.

A moment ago, when we had up here an amendment which I thought would limit the profits of the profiteers in this war, I voted to leave that amendment in the appropriation bill because the amendment said that the profits should be limited to from 2 to 10 percent. I voted for the limitation of profits to from 2 to 10 percent. At that time we were told that that was not the proper time to offer the amendment; that it ought to be eliminated from the bill; that we ought to wait and offer it at some other time.

I did not take that view of it. I wanted to express to the American people today by a registered vote how I felt about the millions upon millions of dollars which are being taken away from the taxpayers of America in war profits. Today I had the opportunity of voting, and did vote, to limit the profits of the war profiteers to rates between 2 to 10 percent, and I am glad opportunity was provided me to vote for such a limitation of profits.

Our distinguished colleagues said this bill was not the measure to which such an amendment should be added, that we should wait until the contractors made the profits and then take the profits away from them by taxation. Perhaps we will take them away by taxation and perhaps we will not, but the time to act is now, when the opportunity is presented and, insofar as I am concerned, I am anxious to register my attitude relative to these enormous profits, and I am anxious to register my attitude concerning the conduct of labor.

I claim that I am one of labor's best friends. The Senator from Florida makes the same claim. I believe the records of the Congress will show that whenever I have been afforded the opportunity of recording my vote for or against labor, nine times out of ten I have voted for labor. I have not only been labor's friend in the past, but I am still labor's friend, and I believe that the legislation which is proposed by the distinguished junior Senator from Florida, if enacted, will be the best thing that ever happened to labor. I am for his amendment, and I hope I shall have an opportunity of voting today in favor of his amendment, because if it shall be agreed to, it will reflect more friendliness toward labor than has been suggested at any time during this session of Congress.

Now is the time to act. It is better and cheaper to keep your horse locked up in the stable than not keep him locked, and have him stolen, and have to ride 500 miles after him. That is very expensive. I want the opportunity to vote now.

Many complaints are being made throughout the country about labor. I do not think those complaints should be registered against labor as a whole. I know that the great majority of laboring men in this country, whether that body of laboring men is constituted of native-born or naturalized citizens, believe in doing the right thing, and that they are just as patriotic as any man who occupies a seat in this body.

Our Nation is in peril. We have had nothing but bad news since December 7, and we are going to have months upon months of bad news to follow. We have but one objective in mind, and that one objective is to win the war. If we lose the war, we shall have lost our all. It does not make any difference what our individual opinions were before December 7, whether we were isolationists or were internationalists, we are all one now, we are seeking national unity, and we are seeking production in order that we may place in the hands and upon the shoulders of the men of America the instruments with which they may best defend themselves.

We all know that before the war is over millions of American boys will be killed, and the casualty lists will be coming home. The boys will be buried beneath the soil of Florida, of North Carolina, and of every other State in the Union. If we do not vision the death of our young men, who are today in 27 different places in the world, constituting 27 different expeditionary forces—if we do not vision that millions of our young

men are going to be killed, then there is but one alternative for us to envision, and that is a withdrawal of our forces from all parts of the world back to the Western Hemisphere, and that we cannot sanction because we were assaulted in a dastardly manner by the Japanese, and because the other Axis Powers, Italy and Germany, declared war against us, all we could do in retaliation was to declare war against them.

Let me say one thing further to the Senator from Florida, having in mind his amendment. I wish to repeat, so that there may be no misunderstanding on the part of anyone, we have arrived at an hour when every man and every woman in this country, black or white, native-born or naturalized, young or old, rich or poor, must put their shoulders to the wheel and work day and night in order to prepare for the struggle which we are now facing.

The people of America want to know whether or not we are going to permit them to work with their own hands in the factories and in the mills to make arms, to provide shields and instruments of protection for their sons who are going to be called upon to die. In this connection I wish to relate a little incident. A few days ago there came into my office a gentleman who said:

Senator, the hand of death has reached into my home.

With tears in his eyes he said:

I am poor, as you know. We have but one child. My wife and I struggled all our lives to put him through the common schools, after which we scrimped and saved money for the purpose of sending that boy, the idol of our hearts, to college. He graduated, he came home, he was a fine, clean, manly fellow, of excellent character. He has never given his mother or me, his father, the slightest concern. He has been good and dutiful and respectful, and although we are poor, ordinary people, when he came out of college he put his arms around us and we wept in happiness because we had been able to provide for him by scrimping and saving.

Then came the draft, and in the interest of our country we gave our son. The hand of death has reached across the threshold of our home. Our son is in a camp. He will be sent away. We do not know whether he will ever return. If he does not, life will be worth nothing to us. If my son never returns to me I want to die, and my wife does, too, because he is all in God's world we have. But we are glad he has been called. I am glad he is going. We thank God that we have a fine young man as our son to shoulder arms in defense of this Government. But I want him protected. I want him to be provided with the arms and the implements with which he will have an even chance with the enemy. We want him to live, if it is possible. We want to see his smiling face again. We want to see him at the fireside at home with us. But we know he will never come back unless he is provided the implements with which to fight, the arms with which to defend himself, and a safe convoy to the battlefield and back.

Millions of mothers and fathers today are demanding that we use every conceivable means to save their boys. They are realizing the situation now for the first time, because thousands upon thousands, as we all know, are being made ready to go here and to go there, but they



are demanding, as mothers and fathers, that they be permitted to join in the work necessary for the preservation of the idols of their hearts by way of being permitted to go into the plants and the factories to make implements necessary for their protection.

Mr. President, if we want to register our position and let the American people know without hesitation where we stand upon the question of profits and where we stand in regard to labor unions, now is the time. I am for the labor unions. I have always been a laboring man. I am now. I believe that the members of labor organizations have as much right to organize and to associate themselves together for the protection of their own individual interests as any other groups or organizations have, whether they be capitalistic or otherwise.

Mr. President, I am indebted to the Senator from Florida for providing me with an opportunity today to register my vote in this matter which concerns fathers and mothers who have given all they have in the world to aid in the protection of their country and in winning victory for the United Nations. My vote will register my approval, will register my request and back up the requests of the fathers and the mothers who have given their boys, that those fathers and mothers, without paying a fee to a labor organization, may be permitted to go into defense plants and, with their own hands, make the arms which are necessary for the protection of their sons.

I hope that this body will vote to suspend the rule in order that the amendment of the Senator from Florida may be brought before the Senate for consideration, and that we may be provided the opportunity of saying now whether we believe that any men or women who want to work in the interests of their country and to help their own children, may do so without paying any individual organization for the privilege.

Mr. REED. Mr. President, I have the completest sympathy with the objectives sought to be attained by the Senator from Florida [Mr. PEPPER]. What the Senator aims at is a vicious practice under a vicious labor policy which has been followed all through the period of war construction. A bill is now pending in the Senate, referred to the Committee on the Judiciary, and by the Committee on the Judiciary placed in the hands of a subcommittee, which seeks to attain the same objective.

On Monday of last week I addressed the Senate at considerable length on that subject, and set out in much detail the vicious and deplorable practices which have been and are now being carried out. I have no quarrel with the Senator from Florida or the Senator from North Carolina in principle. I am sorry I cannot go along with the method which has been adopted to bring this question up at this time.

Mr. President, in the first place, when we recessed under the gentleman's agreement program it was understood that, except for the appropriation bill which we are considering now, no legislation of importance would be brought up before the 20th of April. We ought to

carry out that agreement. I have suggested to the Senator from Florida the doubtful wisdom of bringing up his proposal at this time.

Mr. HOLMAN. Mr. President, will the Senator yield?

Mr. REED. I shall conclude and yield the floor in a moment.

Mr. HOLMAN. I simply wish to ask the Senator a question.

Mr. REED. I shall yield shortly. In the years I have been in the Senate I have more than once objected to attempts made to write important legislation into an appropriation bill from the floor of the Senate. I think it is a dangerous practice, which ought not to be encouraged, and which ought not to be permitted.

I have some doubt whether, under the widespread labor practices in effect at the present time the proposal of the Senator from Florida would be workable. His amendment provides:

It shall be unlawful to receive, require the payment of, or pay any sum of money, or fee of any nature, as an initiation fee or charge which is made a condition precedent to the right, or opportunity, to work upon any war work, as defined by the War Production Board.

If a particular factory were wholly devoted to war work it might not be so difficult, but where there is a mixture of work, a part for the Government and a part for private purposes, I think the amendment would perhaps stop the whole works. I am unable to see how it could be made effective.

A matter of this character, important as it is, far reaching as it is, ought to have the careful attention and scrutiny of the committee which has jurisdiction over matters of this kind. That is why I cannot vote for a suspension of the rule at this time, under these circumstances. Yet I wish to say again to the Senator from Florida that I thoroughly believe in the objective which he is trying to reach. I hope at a later date, before the Congress dies next winter, that we shall have enacted legislation which will reach the objective which the Senator from Florida seeks, and with which I have complete sympathy.

Mr. HOLMAN. Mr. President, will the Senator now yield for a question?

Mr. REED. Yes, I yield.

Mr. HOLMAN. I wish to observe that—

Hope deferred maketh the heart sick.

Ever since I have been in the Senate I have seen die in committee measures designed to reform ill-advised social experiments.

Mr. REED. May I interrupt the Senator from Oregon?

Mr. HOLMAN. Yes.

Mr. REED. I yield only for a question.

Mr. HOLMAN. Then I wish to ask the Senator a question. Has the Senator from Kansas any assurance that the committee to which this or any other proposed remedy for the ill-advised social experiments is sent will consider it and bring it to the floor, and will we still be members of this body then?

Mr. REED. Mr. President, may I ask the distinguished senior Senator from Indiana [Mr. VAN NUYS], the chairman

of the Judiciary Committee, to make reply to the Senator from Oregon?

Mr. VAN NUYS. I can say to the Senator from Oregon that a subcommittee was appointed the next day after the bill of the Senator from Kansas [Mr. REED] was referred to the Committee on the Judiciary. The subcommittee has met, and tomorrow there will be placed in its hands a long and complete list of witnesses to be heard in public hearings. It has been my privilege to be chairman of the Committee on the Judiciary for a year and a half, and not to my knowledge has the committee ever been charged with negligence or pigeonholing a single piece of legislation that was placed in its hands, nor will these particular Holman or Reed bills be pigeonholed by that committee.

Mr. HOLMAN. I thank the Senator.

Mr. REED. May I ask the distinguished junior Senator from Mississippi [Mr. DOXEY], who is now in the Chair, and who is chairman of the subcommittee of the Committee on the Judiciary, to which the bill has been referred, to give added assurance to the Senator from Oregon?

Mr. BARKLEY. Mr. President—

Mr. REED. I yield the floor.

Mr. BARKLEY. I am satisfied that the Senator from Mississippi [Mr. DOXEY] would be willing to answer frankly, but it is not right for us to take advantage of a Senator who is in the Chair to exact a pledge from him as chairman of the subcommittee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida to suspend paragraph 4 of rule XVI.

Mr. PEPPER. Mr. President, if this amendment is not in the ideal form or in the exact language in which it should be, it can certainly go to conference and there be reexamined and improved if the circumstances so require. On a simple, clear-cut matter such as this, at a time when the Senate is dealing with another extraneous matter on an appropriation bill, I see no reason why it cannot also let this provision go to conference. Let us send back to the House some kind of a provision with respect to labor legislation, to show the House that all such legislation originating over there does not die when it reaches the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida to suspend the rule.

Mr. PEPPER. Mr. President, I ask for a division.

On a division, the motion was rejected.

Mr. REED. Mr. President, let me suggest to the Senator from Florida that on the 20th of this month a motion to proceed to consider the so-called Connally bill will be the first order of business. I shall vote to consider the Connally bill. When it comes up, it will be open to amendment.

The amendment of the Senator from Florida would be entirely appropriate and germane to the Connally bill; and when the Connally bill comes up less than 2 weeks from today there will be an opportunity to bring up this matter again. Let me say to the Senator from



Florida that if he offers the substance of his amendment he may depend upon my support for whatever it may be worth. I doubt whether the amendment is in workable shape the way it is now worded, but so far as the substance of it is concerned I shall support it.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment.

Mr. MEAD. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

That any person engaged in the performance of (1) any contract or order for the government of any country whose defense the President deems vital to the defense of the United States, pursuant to provisions of the act entitled "An act further to promote the defense of the United States, and for other purposes," approved March 11, 1941, or (2) any contract or order for the United States, or (3) any subcontract or subcontract necessary or appropriate to the fulfillment of any contract or order for any such government or for the United States, who shall discriminate against or in favor of any employee or prospective employee or applicant for employment, because of his race, color, or creed, shall upon conviction thereof, be punished by a fine of not exceeding \$1,000 or by imprisonment for not exceeding 6 months, or both.

Mr. MEAD. I trust that the Senator in charge of the bill will take this amendment to conference without any debate on the subject.

Mr. McKELLAR. Let the Senate vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. MEAD]. [Putting the question.] The "ayes" appear to have it.

Mr. RUSSELL. Mr. President, I should like to ask whether the Senator from Tennessee, in charge of the bill, has studied this amendment in the light of rule XVI.

Mr. McKELLAR. It is undoubtedly subject to a point of order.

Mr. RUSSELL. Rule XVI imposes on the Senator in charge of the bill the responsibility for making the point of order.

Mr. McKELLAR. Apparently the Senate voted "aye." Therefore I shall have to make the point of order. I regret it very much.

The PRESIDING OFFICER. The point of order is sustained.

Mr. MEAD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MEAD. Did not the Chair announce that the "ayes" have it?

The PRESIDING OFFICER. In the opinion of the Chair, the "ayes" seemed to have it.

Mr. BANKHEAD. That is not the final decision.

Mr. MEAD. Is not that a decision?

Mr. McKELLAR. No; the amendment is subject to a point of order.

Mr. MEAD. Not after the decision is made.

The PRESIDING OFFICER. That was not the final decision of the Chair. The Chair was trying to ascertain whether the "ayes" or "noes" had it, and the Chair stated that the "ayes" appeared to have it.

Mr. MEAD. That is ascertaining the vote, is it not?

The PRESIDING OFFICER. At that time the Senator from Tennessee rose and made a point of order. The Chair had not determined that the "ayes" had it.

Mr. MEAD. The Chair stated that the "ayes" have it.

The PRESIDING OFFICER. The Chair stated that the "ayes" appeared to have it.

Mr. MEAD. There is no difference, Mr. President.

Mr. McKELLAR. Mr. President, I hope the Senator will not insist upon his amendment, because it is clearly subject to a point of order. Not only that, but as I heard the "ayes" and "noes" apparently the "noes" were in the majority.

Mr. JOHNSON of California. A division was called for before the result was announced.

Mr. McKELLAR. I am perfectly willing to have the question settled by a division, if it is so desired.

Mr. McCARRAN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARRAN. The rule prescribes that the Senator in charge of the bill must invoke the point of order.

Mr. McKELLAR. I am rather inclined to think that the Senator is correct. Therefore, I make the point of order.

Mr. RUSSELL. There is no question about the rule.

Mr. MEAD. Mr. President, what I am interested in is the decision of the Chair. The Chair announced the result.

The PRESIDING OFFICER. The decision of the Chair was that the "ayes" appeared to have it, but the Chair was about to determine whether or not the "ayes" had it, which would have given opportunity for a division. That is what the Chair was expecting. At that time the Senator from Tennessee made the point of order.

Mr. MEAD. That is what I was interested in. I wanted a decision on the action taken by the Chair.

The next action is upon the point of order raised by the distinguished Senator from Tennessee [Mr. McKELLAR].

The PRESIDING OFFICER. The Chair sustained the point of order.

Mr. MEAD. That is the decision of the Chair?

The PRESIDING OFFICER. Yes. The amendment would be legislation on an appropriation bill.

The bill is still before the Senate and open to further amendment.

Mr. PEPPER. Mr. President, I now wish to call up the other amendment with respect to which I gave notice, providing for the freezing of prices.

Mr. McKELLAR. Mr. President, I shall have to make the point of order against that amendment.

Mr. PEPPER. The amendment is covered by appropriate notice. I realize that a two-thirds vote is required to suspend the rule.

I shall take only a moment to explain the purport of the amendment.

It is not fair to me or to the plan itself to have it considered under these circumstances. However, I wish to lay it before the Senate and ask that it be considered. It is a plan which that great American, Mr. Bernard M. Baruch, evolved out of his vast experience. It is in the public interest, in time of war, that prices be frozen below a certain ceiling; that there be a maximum price level and wage level; and that the whole economy be frozen beneath a certain maximum.

I read the amendment yesterday. It has been on the desks of Senators. According to this morning's newspaper Mr. Murray, of the C. I. O., states that the threat of inflation is already facing labor. He stated that there has been a rise of 15 percent in the cost of living for labor. That is true, because since the war started the Congress has not limited rising prices. We are not meeting the march of inflation. Consequently, I offer the amendment, and ask that the rule be waived, and that the amendment be now considered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida to suspend paragraph 4 of rule XVI in order to offer an amendment.

The motion was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If no further amendment be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6868) was read the third time and passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. McCARRAN, Mr. O'MAHONEY, Mr. BANKHEAD, Mr. NYE, Mr. LODGE, Mr. HOLMAN, and Mr. BROOKS conferees on the part of the Senate.

#### EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. DOXEY in the chair) laid before the Senate a message from the President of the United States nominating sundry officers for advancement and citizens for appointment as officers, all in the Marine



Corps, which was referred to the Committee on Naval Affairs.

(For nominations this day received, see the end of Senate proceedings.)

The **PRESIDING OFFICER**. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

#### DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Marcel E. Malige, of Idaho, to be a consul general.

The **PRESIDING OFFICER**. Without objection, the nomination is confirmed.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. **McKELLAR**. I ask that the nominations of postmasters be confirmed en bloc.

The **PRESIDING OFFICER**. Without objection, the postmaster nominations are confirmed en bloc.

Mr. **BARKLEY**. I ask that the President be notified of all confirmations of today.

The **PRESIDING OFFICER**. Without objection, the President will be immediately notified.

That completes the calendar.

#### RECESS TO THURSDAY

Mr. **BARKLEY**. As in legislative session, I move that the Senate recess until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 6 o'clock and 12 minutes p. m.) the Senate took a recess until Thursday, April 9, 1942, at 12 o'clock noon.

#### NOMINATIONS

Executive nominations received by the Senate April 7 (legislative day of March 30), 1942:

#### APPOINTMENTS AND PROMOTIONS IN THE NAVY MARINE CORPS

Capt. (temporary) Robert W. Rickert to be a captain in the Marine Corps from the 22d day of March 1942.

The following-named naval aviators of the Marine Corps Reserve to be second lieutenants in the Regular Marine Corps, in accordance with the provisions of the Naval Aviation Personnel Act of 1940, to rank from the dates stated:

Francis P. McCarthy, from the 15th day of April 1940.

Robert G. Owens, Jr., from the 7th day of June 1940.

Thomas J. Ahern, from the 7th day of June 1940.

Philip R. White, from the 10th day of August 1940.

Rubin Iden, from the 20th day of August 1940.

Dred F. Parks, from the 21st day of October 1940.

Alfred L. Owens, a citizen of North Carolina, to be a second lieutenant in the Marine Corps from the 31st day of August 1941.

The following-named citizens to be second lieutenants in the Marine Corps from the 31st day of March 1942:

Bryan F. Jinnett, Jr., a citizen of Alabama.  
William I. Kent, a citizen of Pennsylvania.  
Carl O. J. Grussendorf, a citizen of Minnesota.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate April 7 (legislative day of March 30), 1942:

#### DIPLOMATIC AND FOREIGN SERVICE

Marcel E. Malige to be a consul general of the United States of America.

#### POSTMASTERS

##### KENTUCKY

Hugh A. Reynolds, Junction City.  
Walter R. Guilfoile, Mays Lick.

##### OHIO

Cora M. Burns, Beloit.  
Dora H. McGonagle, Junction City.  
Walter W. Farra, Lewisburg.  
Henry W. Myers, Luckey.  
Marjorie M. Banks, Malta.  
Harry E. Miller, New Concord.  
George R. Daubenmire, Pleasantville.  
Ralph W. Detrick, Quincy.  
Albert E. Beardmore, Salem.  
Winifred Hine, Tallmadge.  
Algy R. Murphy, Troy.

##### TEXAS

Geraldine Palmer, Groves.  
Harry E. Filleman, Hondo.

##### WYOMING

Richard M. Turner, Frontier.  
Oscar W. Dahlquist, Mountainview.

ap<sup>7</sup> 9







77TH CONGRESS  
2D SESSION

# H. R. 6868



IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 1942

Ordered to be printed with the amendments of the Senate numbered

## AN ACT

Making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the national  
5       defense for the fiscal year ending June 30, 1942, and for  
6       other purposes, namely:

### 7                   TITLE I—WAR DEPARTMENT

8       (1) For additional amounts for the Military Establishment,  
9       fiscal year 1942, to remain available until June 30, 1943,  
10      to be supplemental to, and to be merged with, the appropria-  
11      tions under the same heads in the Military Appropriation



1 ~~Act, 1942~~, including the objects and subject to the limitations  
 2 and conditions specified under such heads, respectively, in  
 3 such ~~Act~~, as follows:

4       *For additional amounts for appropriations for the Mili-*  
 5 *tary Establishment, fiscal year 1942, which, together with the*  
 6 *unexpended balances remaining under all appropriations for*  
 7 *the Military Establishment for the fiscal years 1940 and 1941,*  
 8 *shall be supplemental to, merged with, and become a part*  
 9 *of, the appropriations under the respective heads in the*  
 10 *Military Appropriation Act, 1942, as amended by Acts*  
 11 *supplemental thereto, including the objects and subject to the*  
 12 *limitations and conditions specified under said heads, respec-*  
 13 *tively, in those Acts, except as otherwise provided herein; and*  
 14 *such appropriations heretofore and herein made shall remain*  
 15 *available until June 30, 1943, for the purposes of such*  
 16 *appropriations, including obligations chargeable against ap-*  
 17 *propriations for the Military Establishment for the respective*  
 18 *purposes of said appropriations for the fiscal years 1940*  
 19 *and 1941, as follows:*

## 20                   MILITARY ACTIVITIES

### 21                   CONTINGENCIES OF THE ARMY

22       For contingencies of the Army, including necessary per-  
 23 sonal services and the purchase of lawbooks, professional  
 24 books of reference and subscriptions to newspapers and peri-  
 25 odicals, and such other expenses as may be necessary, and

1 payments from this appropriation may, in the discretion of  
 2 the Secretary of War, be made on his certificate that the ex-  
 3 penditures were necessary for confidential military purposes,  
 4 \$1,578,180.

## 5 FINANCE DEPARTMENT

### 6 ~~(2)~~PAY OF THE ARMY

#### 7 FINANCE SERVICE, ARMY

8 ~~(3)~~*Pay of the Army:* For pay of the Army of the United  
 9 States, ~~(4)\$325,113,462~~ *including the pay of members of the*  
 10 *Army Specialist Corps, \$327,331,562: Provided, That mem-*  
 11 *bers of that corps who are assigned to the supply services of*  
 12 *the Army may be paid from the appropriations for the work*  
 13 *upon which they are engaged: Provided further, That no part*  
 14 *of this appropriation shall be available to pay the salary of*  
 15 *any member of that corps unless such member is appointed*  
 16 *by the President, by and with the advice and consent of the*  
 17 *Senate.*

### 18 ~~(5)~~TRAVEL OF THE ARMY

19 ~~(6)~~*Travel of the Army:* For travel of the Army, including  
 20 authorized transportation of persons discharged for fraudulent  
 21 enlistment, and including rental of camp sites and the local  
 22 procurement of communication service, fuel and water, and  
 23 other necessary supplies and services incident to troop move-  
 24 ments, \$92,200,000: *Provided, That from the date of the*  
 25 *approval of this Act to June 30, 1943, the Secretary of War,*



1 in prescribing per diem rates of allowance, not exceeding \$6,  
2 in lieu of subsistence, for officers and warrant officers of the  
3 Army of the United States traveling on official business and  
4 away from their designated posts of duty, pursuant to the first  
5 paragraph of section 12 of the Act approved June 10, 1922  
6 (42 Stat. 631), as amended, is hereby authorized to prescribe  
7 such per diem rates of allowance, whether or not orders are  
8 given to such officers for travel to be performed repeatedly  
9 between two or more places in the same vicinity, and with-  
10 out regard to the length of time away from their designated  
11 posts of duty under such orders: *Provided further*, That until  
12 June 30, 1943, the dependents and household effects of such  
13 military and civilian personnel in and under the Military  
14 Establishment on duty at stations outside the continental  
15 limits of the United States or in Alaska, as may be determined  
16 upon by the Secretary of War, may, prior to the issuance of  
17 orders for the relief of such personnel from their stations, be  
18 moved (including packing and unpacking of household  
19 effects) to such locations as may be selected by the Secretary  
20 of War, by the use of either Government or commercial means  
21 of transportation, and later from such locations to the duty  
22 stations to which such personnel may be ordered, and current  
23 appropriations of the Military Establishment available for  
24 travel and transportation may be used for this purpose, the  
25 decision of the Secretary of War to be final as to the depend-

1 ency of any individual sought to be affected by this pro-  
 2 vision except as to travel hereafter performed subsequent to  
 3 arrival in the United States; and movements of this character  
 4 heretofore effected and payments made or to be made therefor  
 5 are validated.

6 **(7) APPREHENSION OF DESERTERS**

7 **(8)** *Apprehension of deserters:* Funds appropriated under this  
 8 title may be used to pay donations of not to exceed \$10 each  
 9 to persons discharged for fraudulent enlistment as authorized  
 10 by law.

11 **(9) FINANCE SERVICE**

12 **(10)** *Finance Service:* For Finance Service, \$2,165,000.

13 In all, **(11)** ~~\$419,478,462~~ \$421,696,562: *Provided, That*  
 14 all funds heretofore and herein appropriated for the fiscal year  
 15 1942, under the titles "Pay of the Army", "Travel of the  
 16 Army", "Expenses of courts martial", "Apprehension of de-  
 17 serters, and so forth", "Finance Service", "Claims for dam-  
 18 ages to and loss of private property", and "Claims of officers,  
 19 enlisted men, and nurses of the Army for destruction of pri-  
 20 vate property" shall be disbursed and accounted for as one  
 21 fund under the appropriation title "Finance Service, Army".

22 **QUARTERMASTER CORPS**

23 **(12) QUARTERMASTER SERVICE, ARMY**

24 Subsistence of the Army: For subsistence of the Army,  
 25 \$323,006,000.



1 Regular supplies of the Army: For regular supplies of  
 2 the Army, including warehouse and fuel-handling equipment,  
 3 \$80,481,000.

4 Clothing and equipage: For clothing and equipage,  
 5 \$62,804,277.

6 Incidental expenses of the Army: For incidental expenses  
 7 of the Army, including supplies, services, and other expenses  
 8 essential in conducting instruction of the Army in tank-de-  
 9 stroyer activities, \$83,807,000.

10 Army transportation: For Army transportation,  
 11 ~~(13)\$761,412,202~~ \$817,912,000.

12 ~~(14)WELFARE OF ENLISTED MEN~~

13 Welfare of enlisted men: For welfare of enlisted men,  
 14 \$5,715,000.

15 In all, ~~(15)\$1,317,225,479~~ \$1,373,725,277.

16 SIGNAL CORPS

17 SIGNAL SERVICE OF THE ARMY

18 For Signal Service of the Army, \$748,149,000.

19 AIR CORPS

20 AIR CORPS, ARMY

21 For Air Corps, Army, \$8,515,861,251.

22 MEDICAL DEPARTMENT

23 ARMY

24 MEDICAL AND HOSPITAL DEPARTMENT

25 For Medical and Hospital Department, Army, including  
 26 hospital care of Canal Zone garrisons, and for necessary medi-

1 cal care and treatment in private hospitals of military person-  
 2 nel whether on duty or on furlough or leave of absence  
 3 except when elective medical treatment has been obtained  
 4 by military personnel in civilian hospitals or from civilian  
 5 physicians or dentists, \$151,240,000.

## 6 CORPS OF ENGINEERS

### 7 (16)ENGINEER SERVICE, ARMY

8 Engineer Service, Army: For Engineer Service, Army,  
 9 \$31,510,000.

10 Military construction, defense installations: For military  
 11 construction, defense installations, \$866,165,600.

12 Military posts: For construction of buildings, utilities,  
 13 and appurtenances at military posts, \$4,358,118,283.

14 Barracks and quarters: For barracks and quarters,  
 15 \$49,595,000.

16 Construction and repair of hospitals: For construction  
 17 and repair of hospitals, \$775,000.

18 In all, \$5,306,163,883.

## 19 ORDNANCE DEPARTMENT

### 20 ORDNANCE SERVICE AND SUPPLIES, ARMY

21 For ordnance service and supplies, Army, \$543,721,283.

### 22 REPAIRS OF ARSENALS

23 For repairs of arsenals, Army, \$4,500,000.

24 In all, \$548,221,283.

### 25 CHEMICAL WARFARE SERVICE

26 For Chemical Warfare Service, Army, \$367,366,311.



## SPECIAL SERVICE SCHOOLS

1

2 Infantry School: For Infantry School, Fort Benning,

3 Georgia, \$97,389.

4 Cavalry activities: For instruction in Cavalry activities,

5 \$3,200.

6 Field Artillery activities: For instruction in Field Ar-

7 tillery activities, \$63,786.

8 Coast Artillery activities: For instruction in Coast Ar-

9 tillery activities, including antiaircraft and barrage balloon

10 activities, \$1,625.

11 In all, \$166,000: *Provided*, That all funds heretofore

12 and herein appropriated for the fiscal year 1942 under the

13 titles "Infantry School, Fort Benning, Georgia", "Instruction

14 in Cavalry activities", "Instruction in Field Artillery activi-

15 ties", and "Coast Artillery School, Fort Monroe, Virginia",

16 shall be disbursed and accounted for as one fund under the

17 title "Special service schools".

18

## ARMORED FORCE

19

## INSTRUCTION IN ARMORED FORCE ACTIVITIES

20 For instruction in Armored Force activities, \$152,016.

21

## UNITED STATES MILITARY ACADEMY

22 MAINTENANCE AND OPERATION, UNITED STATES MILITARY

23

## ACADEMY

24 Maintenance and operation, United States Military

25 Academy, \$357,580.

## GENERAL PROVISIONS

1  
2       SEC. 101. Limitations on appropriations heretofore and  
3 herein enacted and available for obligation during the fiscal  
4 years 1942 and 1943, which prohibit the payment of per-  
5 sons who are not citizens of the United States, shall not apply  
6 to ~~(17)persons who have lost their citizenship by serving in~~  
7 ~~the armed forces of another nation but who apply and are~~  
8 ~~accepted for service in the Army of the United States mili-~~  
9 ~~tary personnel.~~

10       SEC. 102. Under appropriations available to the Mili-  
11 tary Establishment, the Secretary of War is authorized to  
12 effect appointments of employees in the United States, or to  
13 effect the transfer of employees in the Federal service in the  
14 United States, for duty at any point outside the continental  
15 limits of the United States or in Alaska at which it may be  
16 found necessary to assign such civilian employees, and to pay  
17 the costs of transportation of such employees from place of  
18 engagement in the United States, or from present post of duty  
19 in the United States, in the case of those employees already  
20 in the service of the United States, to the post of duty out-  
21 side the United States or in Alaska, and return upon comple-  
22 tion of assignment or after such period of service as may be  
23 prescribed by the head of the Department; to provide for the  
24 shipment of personal effects of persons so appointed or  
25 transferred from place of engagement or from present post



1 of duty in the United States to the post of duty outside the  
2 continental United States or in Alaska.

3 SEC. 103. Whenever the President deems it to be in the  
4 interest of national defense, he may authorize the Secretary  
5 of War to sell, transfer title to, exchange, lease, lend, or  
6 otherwise dispose of, to the government of any country whose  
7 defense the President deems vital to the defense of the United  
8 States, any defense articles procured from funds appropriated  
9 in this title, in accordance with the provisions of the Act of  
10 March 11, 1941 (Public Law 11): *Provided*, That the  
11 total value of articles disposed of under this authority shall not  
12 exceed \$2,220,000,000: *Provided further*, That the term  
13 “defense article” as used herein shall be deemed to include  
14 defense information and services, and the expenses in con-  
15 nection with the procurement or supplying of defense articles,  
16 information, and services.

17 SEC. 104. This title may be cited as “Title VI, Military  
18 Appropriation Act, 1942”.

## 19 TITLE II—NAVY DEPARTMENT

20 For additional amounts for appropriations for the Navy  
21 Department and the naval service, fiscal year 1942, to be  
22 supplemental and additional to the appropriations and funds  
23 in the Naval Appropriation Act for the fiscal year 1942,  
24 including the objects and subject to the limitations and con-  
25 ditions specified under the respective headings and subject

1 to the provisions under the heading "General Provisions"  
2 contained in said Act, except as otherwise provided herein,  
3 as follows:

4                   NAVAL ESTABLISHMENT

5                   OFFICE OF THE SECRETARY

6                   MISCELLANEOUS EXPENSES

7       The provisions under this heading in the Naval Appro-  
8 priation Act, 1942, as amended, and in the Naval Appropria-  
9 tion Act, 1943, limiting the number of civilian officers and  
10 employees who may be employed in the Navy Department  
11 proper, at Washington, are hereby amended, respectively,  
12 by increasing such number to twenty thousand, and the  
13 Secretary of the Navy is authorized to employ one additional  
14 employee at a per annum salary rate in excess of \$5,000,  
15 but not in excess of the appropriate rate established in accord-  
16 ance with the Classification Act of 1923, as amended:  
17 *Provided*, That section 304 of the Second Deficiency Appro-  
18 priation Act, 1941, shall not apply to citizens of the  
19 Commonwealth of the Philippines from and including the  
20 date of approval of such Act, and the Secretary of the Navy  
21 is authorized to make payments for services rendered by  
22 such citizens during the fiscal year 1942 out of the applicable  
23 appropriations.

24                   CONTINGENT, NAVY

25       Contingent, Navy, \$130,000.



## 1           NAVAL PRISON FARMS AND PRISON PERSONNEL

2           Naval Prison Farms and Prison Personnel, without re-  
3   gard to the existing expenditure limitation, \$8,000.

## 4                   (18) BUREAU OF NAVIGATION

## 5                   TRAINING, EDUCATION, AND WELFARE, NAVY

6           *Funds appropriated under the heading "Welfare and*  
7   *recreation" shall be available for the hire and use of buildings,*  
8   *grounds, services, facilities, and subsistence for rehabilitation*  
9   *and recuperation of naval personnel returned from war serv-*  
10   *ice at sea or on shore beyond the continental limits of the*  
11   *United States, including Alaska, the Canal Zone, and insular*  
12   *possessions.*

## 13                   BUREAU OF SHIPS

## 14                   MAINTENANCE, BUREAU OF SHIPS

15           Maintenance, Bureau of Ships: The appropriations under  
16   this head for the fiscal years 1942 and 1943 shall be available  
17   for repairs, conversions, and restorations on nonnaval vessels  
18   operated for naval requirements; and for the accomplishment  
19   of the purposes authorized by Public Law 280, approved  
20   October 24, 1941, amended by Public Law 446, approved  
21   February 10, 1942.

## 22                   BUREAU OF ORDNANCE

## 23                   ORDNANCE AND ORDNANCE STORES, NAVY

24           Ordnance and ordnance stores, Navy, \$183,692,000.

## 1       BUREAU OF SUPPLIES AND ACCOUNTS

## 2       PAY, SUBSISTENCE, AND TRANSPORTATION OF NAVAL

## 3                       PERSONNEL

4       The number of officers above the rank of captain, who  
5 may receive flight pay during the fiscal year 1942, is in-  
6 creased from nine to twenty-three: *Provided*, That flight  
7 orders and the right to flight pay as to those officers above  
8 the rank of captain not now entitled to flight pay shall be  
9 subject to the conditions prescribed in the Naval Approp-  
10 priation Act, 1943.

## 11       (19)BUREAU OF YARDS AND DOCKS

12 (20)*Maintenance, Bureau of Yards and Docks, \$9,000,000.*

13 (21)*Public Works, Bureau of Yards and Docks: For public*  
14 *works and public utilities, Bureau of Yards and Docks, in-*  
15 *cluding the acquisition of necessary land, \$800,000,000,*  
16 *which, together with the unexpended balances of appropria-*  
17 *tions heretofore made under this head, shall be finally ac-*  
18 *counted for as one fund, which fund shall be available for*  
19 *continuing or completing the construction of any project here-*  
20 *tofore authorized or undertaken thereunder, for acquisition*  
21 *or construction of temporary or emergency buildings and*  
22 *facilities at localities within or without the United States,*  
23 *needed by the Navy and specifically approved by the Secre-*  
24 *tary of the Navy, including collateral public works items and*



1 *other expenses: Provided, That contracts for work under this*  
2 *appropriation may be entered into without regard to the pro-*  
3 *visions of section 3709, Revised Statutes.*

4 *No part of the appropriations in this Act under the Navy*  
5 *Department shall be expended for a permanent type of con-*  
6 *struction at any shore establishment of any character acquired*  
7 *subsequently to the calendar year 1938, unless such estab-*  
8 *lishment shall be designated by the Secretary of the Navy as*  
9 *a permanent establishment, and, in that event, a permanent*  
10 *type of construction shall be used only to meet such perma-*  
11 *nent requirements as the Secretary of the Navy may approve:*  
12 *Provided, That nothing herein shall prevent construction of a*  
13 *type sufficiently substantial for the use intended nor apply to*  
14 *construction projects now under contract or in progress: Pro-*  
15 *vided further, That no part of such appropriations may be*  
16 *obligated for the construction of quarters, including heating*  
17 *and plumbing apparatus, wiring and fixtures, for greater*  
18 *amounts per unit than follow:*

19 *Permanent construction:*

20 *For commissioned officer, \$10,000.*

21 *For commissioned warrant or warrant officer,*  
22 *\$7,500.*

23 *For enlisted man, \$6,000.*

24 *Temporary construction:*

25 *For commissioned officer, \$7,500.*

1           *For commissioned warrant or warrant officer,*  
 2       \$5,000.

3           *For enlisted man, \$3,500.*

4       *The fixed fee to be paid the contractor as a result of*  
 5 *any contract hereafter entered into under this appropria-*  
 6 *tion shall not exceed 6 per centum of the estimated cost of*  
 7 *the contract, exclusive of the fee, as determined by the Sec-*  
 8 *retary of the Navy.*

## 9                   BUREAU OF AERONAUTICS

### 10                   AVIATION, NAVY

11       Aviation, Navy, including not to exceed \$220,000,000  
 12 for expansion of and facilities in public or private plants and  
 13 for expediting the production of naval aircraft, equipment,  
 14 parts and accessories, \$464,827,500: *Provided*, That the  
 15 funds appropriated under this head for the fiscal years 1942  
 16 and 1943 shall be available for outfits for aviation messes  
 17 at air stations or elsewhere.

## 18                   MARINE CORPS

### 19                   PAY, MARINE CORPS

20       Pay of enlisted men, active list, \$4,756,000.

### 21                   GENERAL EXPENSES, MARINE CORPS

22       For provisions, subsistence, and so forth, \$5,495,000;

23       For transportation of troops, and so forth, \$2,220,000;

24       For miscellaneous supplies and expenses, \$1,680,000;

25       In all, to be accounted for as one fund, \$9,395,000 (22):



1 *Provided, That the appropriations under this heading for*  
 2 *the fiscal years 1942 and 1943 shall be available for the*  
 3 *purchase of civilian clothing, including an overcoat when*  
 4 *necessary, the cost of all not to exceed \$25 per man, to be*  
 5 *issued when necessary to Marines given discharges for bad*  
 6 *conduct, undesirability, unfitness, or inaptitude.*

## 7 INCREASE AND REPLACEMENT OF NAVAL 8 VESSELS

9 Armor, armament, and ammunition: The Secretary of  
 10 the Navy is hereby authorized to enter into contracts, in addi-  
 11 tion to existing appropriations therefor, for tools, equipment,  
 12 and facilities in and land for public and private plants for the  
 13 manufacture or production of ordnance material, munitions,  
 14 and armor, and for the protection of private plants, in an  
 15 amount of \$100,000,000, the total amount authorized in this  
 16 and prior Acts for such purposes being \$595,000,000.

## 17 REPAIR FACILITIES, NAVY

18 Repair facilities, Navy: The Secretary of the Navy is  
 19 hereby authorized to enter into contracts, in addition to  
 20 existing appropriations therefor, for repair facilities in the  
 21 amount of \$25,000,000.

## 22 COAST GUARD

23 General expenses, Coast Guard, \$1,543,000: *Provided,*  
 24 *That existing limitations upon amounts that may be used*  
 25 *by the Coast Guard during the fiscal years 1942 and 1943 for*

1 purchase, exchange, maintenance, operation, and repair of  
 2 motor-propelled passenger-carrying vehicles are hereby  
 3 suspended.

4 Construction of vessels and shore facilities, Coast Guard,  
 5 including rental of shore facilities for temporary use,  
 6 \$21,400,000.

7 (23) *Maritime training fund, Coast Guard: For the purchase*  
 8 *of training ships for merchant marine personnel, \$5,000,000.*

9 (24) *Appropriations under the Coast Guard for the fiscal*  
 10 *years 1942 and 1943 shall be available for the purchase*  
 11 *of civilian clothing, including an overcoat when necessary,*  
 12 *the cost of all not to exceed \$25 per man, to be issued when*  
 13 *necessary to members of the Coast Guard given discharges*  
 14 *for bad conduct, undesirability, unfitness, or inaptitude.*

15

#### NAVAL EMERGENCY FUND

16 Naval emergency fund, including naval objects and pur-  
 17 poses other than personal services, whether or not provided  
 18 for under other naval appropriations, which the Secretary  
 19 of the Navy may deem essential to the war effort, to remain  
 20 available until June 30, 1943, \$10,000,000.

21

#### GENERAL PROVISIONS

22 SEC. 201. Whenever the President deems it to be in  
 23 the interest of national defense he may authorize the Secre-  
 24 tary of the Navy to sell, transfer title to, exchange, lease,  
 25 lend, or otherwise dispose of, to the government of any



1 country whose defense the President deems vital to the  
 2 defense of the United States, any defense articles procured  
 3 from funds appropriated in this title, in accordance with the  
 4 provisions of the Act of March 11, 1941 (Public Law 11):  
 5 *Provided*, That the total value of articles disposed of under  
 6 this authority shall not exceed \$18,000,000: *Provided fur-*  
 7 *ther*, That the term "defense article" as used herein shall  
 8 be deemed to include defense information and services, and  
 9 the expenses in connection with the procurement or supply-  
 10 ing of defense articles, information, and services: *Provided*  
 11 *further*, That the limitation of \$2,500,000,000 established  
 12 in section 301 of the Act of February 7, 1942 (Public Law  
 13 441), shall apply to all appropriations made to the Navy  
 14 Department since March 11, 1941.

15 **(25)***SEC. 202. The appropriations of the Navy Department*  
 16 *for the fiscal years 1942 and 1943 shall be available to carry*  
 17 *out the provisions of Executive Order Numbered 9112 of*  
 18 *March 26, 1942.*

19 SEC. **(26)**~~202~~ 203. This title may be cited as "Title  
 20 VII, Naval Appropriation Act, 1942".

## 21 TITLE III—GENERAL APPROPRIATIONS

### 22 LEGISLATIVE

#### 23 **(27)***SENATE*

24 **(28)***The unobligated balance of the appropriation for ex-*  
 25 *penses of inquiries and investigations ordered by the Senate,*

1 *contingent fund of the Senate, for the fiscal year 1942, is*  
 2 *reappropriated and made available for the fiscal year 1943.*  
 3 **(29)** *The unobligated balance of the appropriation for folding*  
 4 *speeches and pamphlets at a rate not exceeding \$1 per thou-*  
 5 *sand, contingent fund of the Senate, for the fiscal year 1942,*  
 6 *is reappropriated and made available for the fiscal year 1943.*

#### 7 HOUSE OF REPRESENTATIVES

8 Contingent expenses: The appropriations for the fiscal  
 9 years 1942 and 1943 for folding speeches and pamphlets shall  
 10 also be available, in addition to the rate of compensation spec-  
 11 ified therein, for employment of personnel at a rate not to  
 12 exceed \$4 per day per person; and as to such appropriation  
 13 for the fiscal year 1942, such latter rate shall be effective  
 14 March 23, 1942.

#### 15 ARCHITECT OF THE CAPITOL

16 Capitol Power Plant: For an additional amount for light-  
 17 ing, heating, and power for the Capitol, Senate and House  
 18 Office Buildings, Supreme Court Building, Congressional  
 19 Library Buildings, and so forth, including the objects speci-  
 20 fied under this head in the Legislative Branch Appropria-  
 21 tion Act, 1942, \$59,847.

#### 22 THE JUDICIARY

##### 23 SUPREME COURT OF THE UNITED STATES

24 Preparation of Rules for Civil Procedure: For all ex-  
 25 penses of the Supreme Court of the United States to provide



1 for expenses of the committee designated by the Court as a  
 2 continuing advisory committee to advise the Court with  
 3 respect to proposed amendments or additions to the rules of  
 4 Civil Procedure for the District Courts of the United States  
 5 pursuant to the Act entitled "An Act to give the Supreme  
 6 Court of the United States authority to make and publish  
 7 Rules in Actions at Law", approved June 19, 1934, includ-  
 8 ing personal services in the District of Columbia and else-  
 9 where and printing and binding, to be expended as the Chief  
 10 Justice in his discretion may direct, including such per diem  
 11 allowances in lieu of actual expenses for subsistence at rates  
 12 to be fixed by him not to exceed \$10 per day, fiscal years  
 13 1942 and 1943, \$15,800.

14 ~~(30)~~ EXECUTIVE OFFICE OF THE PRESIDENT

15 BUREAU OF THE BUDGET

16 *The salary of the Assistant Director of the Bureau of the*  
 17 *Budget shall be at the rate of \$10,000 per annum after the*  
 18 *date of the enactment of this Act.*

19 INDEPENDENT EXECUTIVE AGENCIES

20 CIVIL SERVICE COMMISSION

21 National defense activities: For an additional amount  
 22 for national defense activities, fiscal year 1942, including  
 23 the objects specified under this heading in the Independent  
 24 Offices Appropriation Act, 1942, \$800,000.

## FEDERAL SECURITY AGENCY

## OFFICE OF EDUCATION

Education and training, defense workers (national defense) : For an additional amount for payments to States, and so forth (national defense), fiscal year 1942, for the cost of short courses of college grade, as provided in paragraph (3) under this head in the Federal Security Agency Appropriation Act, 1942, \$3,000,000.

The appropriation made by paragraph “(1)” under the heading “Education and training, defense workers (national defense)” in the Federal Security Agency Appropriation Act, 1942, shall also be available for the cost of vocational courses (either by classes or by individuals) of less than college grade in private vocational schools (regardless of tax liability) and in other private facilities where equipment for training is available.

## SOCIAL SECURITY BOARD

Grants to States for old-age assistance: For an additional amount for grants to States for old-age assistance, subject to the conditions specified under this heading in the Federal Security Agency Appropriation Act, 1942, \$30,000,000.

Grants to States for unemployment compensation administration: For an additional amount, fiscal year 1942, for



1 unemployment compensation administration, including grants  
2 to States, \$10,000,000, which, together with the appro-  
3 priation under this heading in the Federal Security Agency  
4 Appropriation Act, 1942, shall be available, in addition  
5 to the objects specified under said heading, for the admin-  
6 istration by the Social Security Board of public employ-  
7 ment offices in the various States, including printing and  
8 binding and the transfer of household goods and effects,  
9 as provided in the Act of October 10, 1940: *Provided*,  
10 That the Federal Security Administrator may delegate to  
11 such officers or employees as he may designate for the  
12 purpose all authority in connection with the transfer of per-  
13 sonnel and household goods and effects from one official sta-  
14 tion to another.

15

## PUBLIC HEALTH SERVICE

16 Pay of personnel and maintenance of hospitals: For an  
17 additional amount, fiscal year 1942, for pay of personnel and  
18 maintenance of hospitals, including the objects and subject  
19 to the limitations specified under this head in the Federal  
20 Security Agency Appropriation Act, 1942, \$453,000.

21

## SAINT ELIZABETHS HOSPITAL

22 Continuous-treatment buildings: For an additional  
23 amount for the completion of construction and equipment,  
24 in the grounds of the hospital, of two continuous-treatment  
25 buildings, \$200,000, to remain available until completion of  
26 said work.

## 1                   FEDERAL WORKS AGENCY

2           National Bureau of Standards, additional facilities, Wash-  
3 ington, District of Columbia: For the construction of a serv-  
4 ice building and a second story on the existing radio labora-  
5 tory building on the grounds of the National Bureau of Stand-  
6 ards, Washington, District of Columbia, including all admin-  
7 istrative expenses in connection therewith, \$280,000.

8           Emergency safeguarding of public buildings and prop-  
9 erty: To enable the Public Buildings Administration, inde-  
10 pendently or in cooperation with other agencies of the Gov-  
11 ernment, without regard to sections 3709 and 355 of the  
12 Revised Statutes and section 322 of the Act of June 30,  
13 1932, to provide for the emergency safeguarding from sub-  
14 versive hostile acts and overt acts of aggression or depreda-  
15 tion of the following: (1) Federal buildings and leased  
16 quarters wholly occupied by the Government, regardless of  
17 location, jurisdiction, and control (except those under the  
18 control of the War and Navy Departments); (2) adminis-  
19 trative buildings of the government of the District of Colum-  
20 bia; (3) utilities, not otherwise protected, that are necessary  
21 for the operation of such buildings; and (4) records, valuable  
22 materials, and other property of the United States, and all  
23 expenses incident to the foregoing including the construction  
24 or rental of buildings and other facilities for storage purposes  
25 within and outside the District of Columbia and the purchase



1 or rental of land therefor, the remodeling of such buildings  
2 necessary for the protection of records, valuable materials,  
3 and other property, and the extension and protection, not  
4 otherwise provided, of Government-owned utilities, and for  
5 all expenses incident to the foregoing, including the purchase  
6 of materials, equipment, and apparatus, and repairs, con-  
7 struction or reconstruction of buildings damaged by such  
8 subversive or overt acts; personal services in the District of  
9 Columbia and elsewhere without regard to the civil-service  
10 or classification laws, \$12,500,000, to remain available dur-  
11 ing the existence of the emergency declared by the President  
12 May 27, 1941, of which amount not exceeding \$350,000  
13 may be used for administrative expenses: *Provided*, That  
14 the cost-plus-a-percentage-of-cost system of contracting shall  
15 not be used, but this proviso shall not be construed to prevent  
16 the use of a cost-plus-a-fixed-fee form of contract: *Provided*  
17 *further*, That codes developed as guides for the accomplish-  
18 ment of the purposes hereof shall be subject to the approval  
19 of the Federal Works Administrator: *Provided further*, That  
20 activities with respect to subversive hostile acts shall be co-  
21 ordinated with the facility security program of the Office of  
22 Civilian Defense: *Provided further*, That so much of the fore-  
23 going appropriation (not to exceed \$100,000) as may be  
24 needed for the Capitol Building and Grounds, Senate Office  
25 Building, House Office Buildings, Library of Congress Build-

ings, United States Botanic Garden Buildings, Capitol Power Plant, Legislative Garage, United States Supreme Court Building, and any other buildings for which the Architect of the Capitol is responsible for structural and mechanical care, shall be transferred on the books of the Treasury from time to time as may be agreed upon by the Architect of the Capitol and the Commissioner of Public Buildings, for direct expenditure by such Architect under the authority of this paragraph, and including professional and technical services without reference to section 35 of the Public Buildings Act of June 25, 1910, as amended.

Salaries and expenses, public buildings and grounds in the District of Columbia and adjacent area: For an additional amount for salaries and expenses, public buildings and grounds in the District of Columbia and adjacent area, fiscal year 1942, including the objects specified under this head in the Independent Offices Appropriation Act, 1942, \$3,413,394: *Provided*, That the limitation upon the amount which may be expended for purchase, repair, and cleaning of uniforms for guards and elevator conductors for the fiscal year 1942 is hereby waived.

Salaries and expenses, public buildings and grounds outside the District of Columbia: For an additional amount for salaries and expenses, public buildings and grounds outside the District of Columbia, fiscal year 1942, including the



1 objects specified under this head in the Independent Offices  
 2 Appropriation Act, 1942, \$278,627.

3 PUBLIC ROADS ADMINISTRATION

4 Access roads: Authority is hereby granted, in addition  
 5 to the authority granted for the same purpose under this  
 6 heading in the Third Supplemental National Defense Appro-  
 7 priation Act, 1942, to enter into contracts in the amount  
 8 of ~~(31)\$20,000,000~~ \$25,400,000 for the construction and im-  
 9 provement of access roads and for replacing existing high-  
 10 ways and highway connections as described in and in  
 11 accordance with section 6 of the Defense Highway Act of  
 12 1941 (Public Law 295), such authority to continue during  
 13 the existence of the emergency declared by the President on  
 14 May 27, 1941.

15 ~~(32)~~ NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

16 *For an additional amount for the fiscal year 1942, to*  
 17 *remain available until expended, for continuing construction*  
 18 *and equipment of the Aircraft Engine Research Laboratory*  
 19 *at Cleveland, Ohio, \$3,500,000: Provided, That the limita-*  
 20 *tion of \$13,300,000 upon the total cost of construction and*  
 21 *equipment of said Aircraft Engine Research Laboratory is*  
 22 *hereby increased to \$18,171,000.*

23 ~~(33)~~ SELECTIVE SERVICE SYSTEM

24 *For an additional amount for the operation and mainte-*  
 25 *nance of the Selective Service System for the fiscal year 1942,*

1 including the objects specified for the appropriation under this  
2 head in the Independent Offices Appropriation Act, 1942,  
3 \$3,770,000, which amount, together with the said appropria-  
4 tion and \$3,500,000 of the unobligated balance of the appro-  
5 priation under this head in the Third Supplemental National  
6 Defense Appropriation Act, 1941, shall be consolidated and  
7 constitute one fund: Provided, That from the date of the  
8 approval of this Act to June 30, 1943, the Director of Selec-  
9 tive Service, in prescribing per diem rates of allowance, not  
10 exceeding \$6, in lieu of subsistence for officers of the Army,  
11 Navy, and Marine Corps, and of the reserve components  
12 thereof, traveling on official business and away from their  
13 designated posts of duty, pursuant to the first paragraph of  
14 section 12 of the Act approved June 10, 1922 (42 Stat. 631),  
15 as amended, is hereby authorized to prescribe such per diem  
16 rates of allowance, whether or not orders are given to such  
17 officers for travel to be performed repeatedly between two or  
18 more places in the same vicinity, and without regard to the  
19 length of time away from their designated posts of duty under  
20 such orders.

21           (34) TENNESSEE VALLEY AUTHORITY

22       Tennessee Valley Authority fund: For an additional  
23 amount for the Tennessee Valley Authority fund, fiscal year  
24 1942, for the beginning of construction of a fertilizer and  
25 elemental phosphorus manufacturing plant at or near Mobile,



1 *Alabama, and the acquisition of land in connection with the*  
 2 *accomplishment of this project, \$3,000,000, to be available*  
 3 *for the administrative objects of expenditure and subject to*  
 4 *the conditions specified under this heading in the Independent*  
 5 *Offices Appropriation Act, 1942.*

## 6 VETERANS' ADMINISTRATION

7 Administration, medical, hospital, and domiciliary serv-  
 8 ices: For an additional amount, fiscal year 1942, for all  
 9 salaries and expenses of the Veterans' Administration, in-  
 10 cluding the objects and subject to the limitations specified  
 11 under this head in the Independent Offices Appropriation  
 12 Act, 1942, \$1,600,000.

13 Printing and binding: For an additional amount for  
 14 printing and binding for the Veterans' Administration, fiscal  
 15 year 1942, \$70,000.

## 16 (35) DISTRICT OF COLUMBIA

### 17 (36) GENERAL EXPENSES

18 (37) *Department of insurance, salaries: For an additional*  
 19 *amount for personal services, fiscal year 1942, \$2,445.*

20 (38) *Office of Administrator of Rent Control, salaries and ex-*  
 21 *penses: For an additional amount for all expenses necessary*  
 22 *in carrying out the provisions of the District of Columbia*  
 23 *Emergency Rent Act, approved December 2, 1941, including*  
 24 *personal services and printing and binding, fiscal year 1942,*  
 25 *\$5,400.*

1       **(39)**CONTINGENT AND MISCELLANEOUS EXPENSES

2   **(40)***Contingent expenses: For an additional amount for gen-*  
 3 *eral necessary expenses of District offices, fiscal year 1942,*  
 4 *including the objects and subject to the conditions and limita-*  
 5 *tions specified under this head in the District of Columbia*  
 6 *Appropriation Act, 1942, \$7,200.*

7   **(41)***Postage: For an additional amount for postage for*  
 8 *strictly official mail matter, including the rental of postage-*  
 9 *meter equipment, fiscal year 1942, \$4,000.*

10   **(42)***Printing and binding: For an additional amount for*  
 11 *printing and binding, fiscal year 1942, including the con-*  
 12 *dition specified under this head in the District of Columbia*  
 13 *Appropriation Act, 1942, \$6,500.*

14       **(43)**COLLECTION AND DISPOSAL OF REFUSE

15   **(44)***Street cleaning: For an additional amount for dust pre-*  
 16 *vention, sweeping and cleaning streets, avenues, alleys, and*  
 17 *suburban streets, fiscal year 1942, including the objects and*  
 18 *subject to the limitation specified under this head in the Dis-*  
 19 *trict of Columbia Appropriation Act, 1942, \$20,000.*

20   **(45)***Collection and disposal of refuse, expenses: For an ad-*  
 21 *ditional amount to enable the Commissioners to carry out*  
 22 *the provisions of existing law governing the collection and*  
 23 *disposal of garbage, and so forth, fiscal year 1942, includ-*  
 24 *ing the objects and subject to the conditions specified under*



1 *this head in the District of Columbia Appropriation Act,*  
 2 *1942, \$40,000.*

3 **(46)PUBLIC SCHOOLS**

4 **(47)Community Center Department:** *For an additional*  
 5 *amount for all expenses necessary for the operation and*  
 6 *maintenance of the Community Center Department, fiscal*  
 7 *year 1942, including the objects and subject to the condi-*  
 8 *tions specified in the appropriation under this head in the*  
 9 *District of Columbia Appropriation Act, 1942, \$15,000.*

10 **(48)Buildings and grounds:** *For the completion of six un-*  
 11 *finished classrooms at the Lafayette School, fiscal year 1942,*  
 12 *to remain available during the fiscal year 1943, \$45,000.*

13 **(49)HEALTH DEPARTMENT**

14 **(50)Inspections:** *For an additional amount for inspections,*  
 15 *fiscal year 1942, including the objects and subject to the limi-*  
 16 *tations specified under this head in the District of Columbia*  
 17 *Appropriation Act, 1942, \$15,000.*

18 **(51)Tuberculosis sanatoria, expenses:** *For an additional*  
 19 *amount for provisions, and so forth, fiscal year 1942, includ-*  
 20 *ing the objects and subject to the limitations specified in the*  
 21 *District of Columbia Appropriation Act, 1942, \$40,000.*

22 **(52)Repairs and improvements:** *For an additional amount*  
 23 *for repairs and improvements to buildings and grounds, in-*  
 24 *cluding roads and sidewalks, fiscal year 1942, \$9,173.*

1 **(53)***Gallinger Municipal Hospital, expenses: For an addi-*  
 2 *tional amount for maintenance of the hospital, fiscal year*  
 3 *1942, including the objects and subject to the limitation speci-*  
 4 *fied under this head in the District of Columbia Appropria-*  
 5 *tion Act, 1942, \$73,700, and the amount specified for pur-*  
 6 *chase (including exchange) of two motortrucks is increased*  
 7 *to \$2,400.*

8 **(54)***Repairs: For an additional amount for repairs and im-*  
 9 *provements to buildings and grounds, fiscal year 1942,*  
 10 *\$6,500.*

11 **(55)**COURTS

12 *Municipal court: For an additional amount for con-*  
 13 *tingent expenses, fiscal year 1942, including the objects speci-*  
 14 *fied under this head in the District of Columbia Appropria-*  
 15 *tion Act, 1942, \$840.*

16 **(56)**PUBLIC WELFARE

17 **(57)***Jail: For an additional amount for maintenance and*  
 18 *support of prisoners of the District of Columbia at the jail,*  
 19 *fiscal year 1942, including the objects and subject to the*  
 20 *limitations specified under this head in the District of Colum-*  
 21 *bia Appropriation Act, 1942, \$4,650.*

22 **(58)***Workhouse and reformatory, expenses: For an addi-*  
 23 *tional amount for maintenance, care, and support of inmates,*  
 24 *fiscal year 1942, including the objects and subject to the limi-*



1 *tations specified under this head in the District of Columbia*  
 2 *Appropriation Act, 1942, \$12,000.*

3 **(59)***District of Columbia Training School: For an addi-*  
 4 *tional amount for maintenance and other necessary expenses,*  
 5 *fiscal year 1942, including the objects and subject to the limi-*  
 6 *tation specified under this head in the District of Columbia*  
 7 *Appropriation Act, 1942, \$15,000.*

8 **(60)***Industrial Home School for Colored Children: For an*  
 9 *additional amount for maintenance, fiscal year 1942, includ-*  
 10 *ing the objects and subject to the limitation specified under this*  
 11 *head in the District of Columbia Appropriation Act, 1942,*  
 12 *\$5,000.*

13 **(61)***MILITIA*

14 *For an additional amount for personal services and other*  
 15 *expenses, fiscal year 1941, including the objects and subject*  
 16 *to the limitations specified under this head in the District of*  
 17 *Columbia Appropriation Act, 1941, \$1,409.18.*

18 **(62)***DIVISION OF EXPENSES*

19 *The foregoing sums for the District of Columbia, unless*  
 20 *otherwise therein specifically provided, shall be paid out of*  
 21 *the revenues of the District of Columbia and the Treasury*  
 22 *of the United States in the manner prescribed by the District*  
 23 *of Columbia Appropriation Acts for the respective fiscal years*  
 24 *for which such sums are provided.*

## DEPARTMENT OF AGRICULTURE

## FOREST SERVICE

## SALARIES AND EXPENSES

National forest protection and management: For an additional amount for national forest protection and management, to be used for the care of plantations and young growth, fiscal year 1942, ~~(63)\$250,000~~ \$500,000, to remain available until June 30, 1943.

Forest-fire control, Department of Agriculture (emergency) : For all necessary expenses to enable the Secretary of Agriculture, independently or in cooperation with the various States or other appropriate agencies or individuals, to intensify and augment forest-fire prevention and suppression measures in critical areas on Federal, State, county, municipal, or private lands, including the purchase (not to exceed \$5,000), operation, and maintenance of passenger-carrying vehicles, and not to exceed ~~(64)\$15,000~~ \$35,000 for personal services in the District of Columbia, fiscal year 1942, ~~(65)\$2,000,000~~ \$18,100,000, to remain available until June 30, 1943: *Provided*, That there shall not be expended from this appropriation on non-Federal lands in any State any amount in excess of the amount made available by the State, or private agencies, or individuals for the purposes of this appropriation: *Provided further*,

1 That sections 2 and 3 of the Department of Agriculture  
 2 Appropriation Act, 1942, or similar provisions in this Act  
 3 or in the Act making appropriations for said Department  
 4 for the fiscal year 1943 shall not apply to persons employed  
 5 hereunder for less than sixty days on sudden emergency  
 6 work involving the loss of human life or destruction of prop-  
 7 erty (66): *Provided further, That the maintenance, includ-*  
 8 *ing the pay of enrollees, of any Civilian Conservation Corps*  
 9 *camps transferred to the Forest Service either by Congress,*  
 10 *or by the President under authority granted by section 801*  
 11 *of the Second War Powers Act, approved March 27, 1942,*  
 12 *shall be payable out of this appropriation.*

13 BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

14 Control of incipient and emergency outbreaks of insect  
 15 pests and plant diseases: To enable the Secretary of Agricul-  
 16 ture to carry out the provisions of and for expenditures au-  
 17 thorized by the joint resolution approved May 9, 1938 (7  
 18 U. S. C. 148-148e), fiscal year 1942, (67)\$1,665,000  
 19 \$1,850,000, to remain available until June 30, 1943.

20 EMERGENCY RUBBER PROJECT

21 For all expenses necessary to enable the Secretary of  
 22 Agriculture to carry into effect the provisions of the Act of  
 23 March 5, 1942 (Public Law 473), and in accordance with  
 24 the provisions thereof, including personal services in the Dis-  
 25 trict of Columbia and elsewhere (including alien labor);



1 printing and binding without regard to section 11 of the Act  
2 of March 1, 1919 (44 U. S. C. 111) ; purchase of books of  
3 reference and periodicals; the purchase (not to exceed  
4 \$13,000), operation, and maintenance of passenger-carrying  
5 vehicles; the exchange of passenger-carrying and other  
6 motor vehicles, tractors, and other equipment and parts  
7 or accessories thereof, in whole or in part payment for  
8 similar equipment; the erection of necessary buildings;  
9 the procurement of medical supplies and services for  
10 emergency use in the field; and the acceptance of dona-  
11 tions of land and rubber-bearing plants, \$4,200,000, to re-  
12 main available until June 30, 1943: *Provided*, That any  
13 proceeds from the sales of guayule, rubber processed from  
14 guayule, or other rubber-bearing plants, or from other  
15 sales resulting from operations under such Act of March 5,  
16 1942, shall be covered into the Treasury as "Miscellaneous  
17 receipts": *Provided further*, That the allocations of  
18 \$884,000 and \$750,000 for these purposes from the  
19 emergency fund for the President in the Independent Offices  
20 Appropriation Act, 1942, made by letter Numbered 42-75,  
21 dated February 6, 1942, and letter Numbered 42-89,  
22 dated March 10, 1942, respectively, shall be transferred to  
23 and made a part of this appropriation, and immediately  
24 thereafter an amount equal to such allocation shall be repaid

1 to said Emergency Fund for the President (Public Law 473,  
2 Seventy-seventh Congress).

3 DEPARTMENT OF COMMERCE

4 BUREAU OF THE CENSUS

5 Expenses of the Sixteenth Census: For an additional  
6 amount for continuing the work of taking, compiling, and  
7 publishing the Sixteenth Census of the United States, fiscal  
8 year 1942, including the objects specified under this head  
9 in the Department of Commerce Appropriation Act, 1942,  
10 \$500,000.

11 OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

12 Enforcement of safety regulations: For an additional  
13 amount, fiscal year 1942, for enforcement of safety regula-  
14 tions, including the objects specified under this head in  
15 the Department of Commerce Appropriation Act, 1942,  
16 \$166,000.

17 Establishment of air-navigation facilities: For an addi-  
18 tional amount, fiscal year 1942, for establishment of air-  
19 navigation facilities, including the objects specified under  
20 this head in the Department of Commerce Appropriation Act,  
21 1942, ~~(68)\$1,940,000~~ \$6,020,000: *Provided*, That this ap-  
22 propriation and the unobligated balances of the appropriations  
23 for this purpose contained in said Appropriation Act and in  
24 the First Supplemental National Defense Appropriation Act,  
25 1942, shall continue available until June 30, 1943.

1 Maintenance and operation of air-navigation facilities:

2 For an additional amount, fiscal year 1942, for maintenance  
3 and operation of air-navigation facilities, including the ob-  
4 jects specified under this head in the Department of Com-  
5 merce Appropriation Act, 1942, and including the training  
6 of employees to be assigned to the operation and maintenance  
7 of air-navigation facilities, \$823,720: *Provided*, That the  
8 limitation on the amount which may be expended for airport  
9 traffic control contained in the First Supplemental National  
10 Defense Appropriation Act, 1942, is hereby removed.

11 Development of landing areas: The unexpended balances  
12 of the appropriations under this head made by the First Sup-  
13 plemental Civil Functions Appropriation Act, 1941, the  
14 Department of Commerce Appropriation Act, 1942, the First  
15 Supplemental National Defense Appropriation Act, 1942, and  
16 the Third Supplemental National Defense Appropriation Act,  
17 1942, are hereby consolidated, to be accounted for as one  
18 fund, which shall be available until June 30, 1943, for the  
19 construction, improvement, and repair of public airports and  
20 other public landing areas as authorized in said Acts and for  
21 necessary administrative expenses incident thereto, subject  
22 to the limitations in said Acts, including engineering services  
23 and supervision of construction: *Provided*, That this appro-  
24 priation shall be available for transfer to other Federal agen-  
25 cies to carry out the purposes hereof as specified under this



1 head in the Department of Commerce Appropriation Act,  
2 1942.

3 COAST AND GEODETIC SURVEY

4 Amounts appropriated for "Magnetic and seismological  
5 work" and "Office force", Coast and Geodetic Survey, in the  
6 Department of Commerce Appropriation Act, 1941, are  
7 hereby increased by \$380 and \$830, respectively, by transfer  
8 from the appropriation contained in said Act for "Field ex-  
9 penses, coastal surveys", Coast and Geodetic Survey.

10 DEPARTMENT OF THE INTERIOR

11 OFFICE OF THE SECRETARY

12 Fire protection of forests, forest industries, and strategic  
13 facilities (national defense) : For all necessary expenses to  
14 enable the Department of the Interior independently or in  
15 cooperation with other appropriate agencies to initiate and  
16 intensify and augment forest fire prevention and suppression  
17 measures on critical forest, brush, and grass areas under the  
18 administration of the Department of the Interior, including  
19 not to exceed ~~(69)\$8,000~~ \$50,000 for personal services in  
20 the District of Columbia; purchase (not to exceed \$6,000),  
21 maintenance, operation, and repair of passenger-carrying  
22 automobiles; hire, with or without personal services, of work  
23 animals and animal-drawn and motor-propelled vehicles and  
24 equipment; and purchase in the District of Columbia or else-  
25 where of other items otherwise properly chargeable to the

1 appropriation "Contingent expenses, Department of the In-  
 2 terior", fiscal year 1942, ~~(70)\$324,800~~ \$1,565,000, to re-  
 3 main available until June 30, 1943: *Provided*, That for sud-  
 4 den emergency work involving the loss of human life or the  
 5 destruction of property, persons may be employed for periods  
 6 of less than sixty days and be paid salaries or wages from this  
 7 appropriation without the necessity of inquiring into their  
 8 citizenship or membership in any organization.

9       Protection of mineral resources and facilities, including  
 10 petroleum (national defense): For all necessary expenses  
 11 to enable the Department of the Interior independently or  
 12 in cooperation with other appropriate agencies, public or  
 13 private, to initiate and intensify and augment measures to  
 14 prevent subversive activities from interfering with the extrac-  
 15 tion and processing of minerals and petroleum, including not  
 16 to exceed \$50,000 for personal services in the District of  
 17 Columbia; purchase (not to exceed \$50,000), maintenance,  
 18 operation, and repair of passenger-carrying automobiles; trav-  
 19 eling expenses, including expenses of attendance at meetings  
 20 of members of societies or associations concerned with the  
 21 furtherance of the purposes hereof; hire, with or without  
 22 personal services, of work animals and animal-drawn and  
 23 motor-propelled vehicles and equipment; not to exceed  
 24 \$6,000 for printing and binding; purchase of special apparel  
 25 and equipment for the protection of employees while engaged

1 in their work; and purchase in the District of Columbia and  
 2 elsewhere of other items otherwise properly chargeable to  
 3 the appropriation "Contingent expenses, Department of the  
 4 Interior", fiscal year 1942, \$800,000, to remain available  
 5 until June 30, 1943.

6 GOVERNMENT IN THE TERRITORIES

7 Contingent expenses, Territory of Alaska: For an addi-  
 8 tional amount for incidental and contingent expenses of the  
 9 offices of the Governor and the Secretary of the Territory,  
 10 including the objects specified for the appropriation for this  
 11 purpose in the Interior Department Appropriation Act,  
 12 1942, fiscal year 1942, \$1,300, of which \$525 shall be for  
 13 clerk hire.

14 Defraying deficits in treasuries of municipal govern-  
 15 ments, Virgin Islands: For an additional amount, fiscal  
 16 year 1942, for defraying the deficit in the treasury of the  
 17 municipal government of Saint Croix because of the excess  
 18 of current expenses over current revenues for the fiscal year  
 19 1942, \$10,000.

20 DEPARTMENT OF JUSTICE

21 IMMIGRATION AND NATURALIZATION SERVICE

22 Salaries and expenses: For an additional amount for  
 23 "Salaries and expenses, Immigration and Naturalization  
 24 Service", fiscal year 1942, including the objects specified  
 25 under this heading in the Department of Justice Appropria-



1 tion Act, 1942, \$4,750,000, including alterations, improve-  
2 ments, and repairs to premises occupied for detention pur-  
3 poses without regard to section 322 of the Act of June 30,  
4 1932 (40 U. S. C. 278a), when authorized or approved  
5 by the Attorney General, and for all necessary expenses  
6 incident to the maintenance, care, detention, surveillance,  
7 parole, and transportation of alien enemies, including trans-  
8 portation and other expenses in the return of such aliens  
9 to place of bona fide residence or to such other place as  
10 may be authorized by the Attorney General.

11 MISCELLANEOUS

12 Lands Division, salaries and expenses: For an additional  
13 amount for salaries and expenses, Lands Division, Depart-  
14 ment of Justice, fiscal year 1942, including the objects  
15 specified under this head in the Department of Justice  
16 Appropriation Act, 1942, \$300,000.

17 Alien Enemy Control Unit, salaries and expenses: For  
18 salaries and expenses in connection with the registration and  
19 control of alien enemies in accordance with sections 4067-  
20 4070 of the Revised Statutes of the United States, as amended  
21 (50 U. S. C. 21-24), including personal services in the  
22 District of Columbia and elsewhere; traveling expenses; pur-  
23 chase, exchange, rental, and repair of typewriters and other  
24 labor-saving office appliances; printing and binding; and all  
25 other contingent expenses in the District of Columbia and

1 elsewhere, fiscal year 1942, \$1,700,000, to remain available  
 2 until June 30, 1943, of which not to exceed \$200,000 may  
 3 be expended for personal services without regard to the civil  
 4 service and classification laws: *Provided*, That this appro-  
 5 priation shall be available for transfer to or reimbursement  
 6 of other public agencies, Federal, State, or local, for assist-  
 7 ance rendered hereunder: *Provided further*, That \$325,000  
 8 of this appropriation shall be transferred to the emergency  
 9 fund for the President created by the Independent Offices  
 10 Appropriation Act, 1942, in reimbursement of said appro-  
 11 priation on account of the advance therefrom of a like sum for  
 12 the purposes hereof.

## 13 DEPARTMENT OF LABOR

### 14 OFFICE OF THE SECRETARY

15 (71) *Salaries and expenses, apprenticeship training program*  
 16 *(national defense): For an additional amount for the fiscal*  
 17 *year 1942 for "Salaries and expenses, apprenticeship train-*  
 18 *ing program (national defense)", including the objects speci-*  
 19 *fied under this heading in the Department of Labor Appro-*  
 20 *priation Act, 1942, \$90,000.*

21 Commissioners of conciliation (national defense) : For  
 22 an additional amount for the fiscal year 1942 for "Commis-  
 23 sioners of conciliation (national defense)", including the  
 24 objects specified under this heading in the Department of  
 25 Labor Appropriation Act, 1942, (72) ~~\$76,500~~ \$226,500.

1 Wage and Hour Division: Not to exceed \$45,000 of  
2 the appropriation "Salaries, Wage and Hour Division, De-  
3 partment of Labor, 1942", may be transferred to the appro-  
4 priation "Miscellaneous expenses, Wage and Hour Division,  
5 Department of Labor, 1942".

6 POST OFFICE DEPARTMENT

7 (OUT OF THE POSTAL REVENUES)

8 CONTINGENT EXPENSES

9 Printing and binding: For an additional amount for  
10 printing and binding for the Post Office Department, fiscal  
11 year 1942, \$235,000.

12 DEPARTMENT OF STATE

13 PASSPORT AGENCIES

14 For an additional amount for passport agencies, including  
15 the objects specified under this heading in the Department  
16 of State Appropriation Act, 1942, \$7,000; and the limitation  
17 of \$500 for travel expenses is hereby increased to \$1,100.

18 AMBASSADORS AND MINISTERS

19 Salaries, ambassadors and ministers, 1942: The appro-  
20 priation for salaries of ambassadors and ministers contained  
21 in the Department of State Appropriation Act, 1942, shall  
22 be available for salaries of Ambassadors Extraordinary and  
23 Plenipotentiary to Bolivia, Ecuador, and Paraguay, at the  
24 rate of \$10,000 per annum each, and for the salary of an



1 Envoy Extraordinary and Minister Plenipotentiary to New  
2 Zealand at the rate of \$10,000 per annum.

3 TREASURY DEPARTMENT

4 OFFICE OF THE SECRETARY

5 Salaries and expenses, Foreign-owned property control:  
6 For an additional amount for salaries and expenses, foreign-  
7 owned property control, fiscal year 1941, including the  
8 objects specified under this heading in the Second Deficiency  
9 Appropriation Act, 1940, \$30,412.

10 For an additional amount for salaries and expenses, for-  
11 eign-owned property control, fiscal year 1942, including the  
12 objects specified under this heading in the Treasury Depart-  
13 ment Appropriation Act, 1942, \$2,500,000.

14 BUREAU OF ACCOUNTS

15 Division of Disbursement: For an additional amount for  
16 the Division of Disbursement, fiscal year 1942, including the  
17 objects specified under this heading in the Treasury Depart-  
18 ment Appropriation Act, 1942, \$200,000: *Provided*, That  
19 the responsibility and accountability of certifying officers un-  
20 der the Act of December 29, 1941 (Public Law 389), shall  
21 be deemed to include the correctness of the computations of  
22 certified vouchers and disbursing officers shall not be held  
23 accountable under section 1 of such Act for the correctness  
24 of such computations.

25 There may be transferred with the approval of the Direc-

tor of the Bureau of the Budget, not to exceed \$75,000 from the appropriation for administrative expenses of the Procurement Division, Treasury Department, contained in section 2 (a) of the Emergency Relief Appropriation Act, fiscal year 1942, to the appropriation for administrative expenses of the Division of Disbursement, contained in the same section of such Act.

#### OFFICE OF TREASURER OF UNITED STATES

Salaries: For an additional amount for salaries, Office of Treasurer of United States, fiscal year 1942, including the objects specified under this heading in the Treasury Department Appropriation Act, 1942, \$100,000.

#### TITLE IV—GENERAL PROVISIONS

~~(73)SEC. 401. Section 2 of the First Supplemental National Defense Appropriation Act, 1942, and the last proviso under the caption Military Posts in title IV, Military Appropriation Act, 1941, are hereby repealed.~~

*SEC. 401. The last proviso under the caption Military Posts in title IV, Military Appropriation Act, 1941 (Public, Numbered 800, Seventy-sixth Congress), is hereby repealed, and section 2 of the First Supplemental National Defense Appropriation Act, 1942, approved August 25, 1941 (Public Law 247, Seventy-seventh Congress), is hereby amended to read as follows:*

*“SEC. 2. It shall be the duty of the Secretary of War*

1 *and the Secretary of the Navy, respectively, to file with*  
2 *the Congress, within sixty days after the end of each fiscal*  
3 *year, a complete list of all contracts in excess of \$50,000,*  
4 *including contracts for the purchase of land, undertaken*  
5 *during such fiscal year for the expenditure of funds appro-*  
6 *priated by this or any other Act, showing (1) a summary*  
7 *of the subject matter of each contract; (2) the names of the*  
8 *contractors; (3) the names of the persons who approved*  
9 *the specifications, consummated the making or concluded the*  
10 *negotiation of any such contract on behalf of the Govern-*  
11 *ment, and of all persons who participated in the negotiations*  
12 *on behalf of the contractor; (4) if any such contract was*  
13 *awarded without competitive bidding, a statement of the*  
14 *principal or controlling reason for the selection of the con-*  
15 *tractor; and (5) as to contracts for the purchase of land,*  
16 *also the location, area, intended use, the purchase price and*  
17 *assessed value thereof."*

18       SEC. 402. No part of any appropriation contained in  
19 this Act shall be used to pay the salary or wages of any  
20 person who advocates, or who is a member of an organi-  
21 zation that advocates, the overthrow of the Government of  
22 the United States by force or violence: *Provided*, That for  
23 the purposes hereof an affidavit shall be considered prima  
24 facie evidence that the person making the affidavit does not  
25 advocate, and is not a member of an organization that advo-



1 cates, the overthrow of the Government of the United States  
 2 by force or violence: *Provided further*, That any person  
 3 who advocates, or who is a member of an organization that  
 4 advocates, the overthrow of the Government of the United  
 5 States by force or violence and accepts employment the  
 6 salary or wages for which are paid from any appropriation  
 7 in this Act shall be guilty of a felony and, upon conviction,  
 8 shall be fined not more than \$1,000 or imprisoned for not  
 9 more than one year, or both: *Provided further*, That the  
 10 above penalty clause shall be in addition to, and not in  
 11 substitution for, any other provisions of existing law.

12 (74)SEC. 402A. No part of any appropriation contained in  
 13 this Act shall be available to pay that portion of a contract  
 14 for construction of any character and/or procurement of  
 15 material and supplies for either the Military or Naval Estab-  
 16 lishments, designated as "final payment" to any contractor  
 17 who fails to file with the procuring agency a certificate of  
 18 costs and an agreement for renegotiation of contract and  
 19 reimbursement of profits in excess of 6 per centum.

20 SEC. 403. (a) For the purposes of this section, the term  
 21 "Department" means the War Department, the Navy De-  
 22 partment, and the Maritime Commission, respectively; and,  
 23 in the case of the Maritime Commission, the term "Secretary"  
 24 means the Chairman of such Commission; and the term "re-  
 25 negotiate" and "renegotiation" include the refixing by the

1 *Secretary of the Department of the contract price. For the*  
2 *purposes of subsections (d) and (e) of this section, the term*  
3 *“contract” includes a subcontract and the term “contractor”*  
4 *includes a subcontractor.*

5       *(b) The Secretary of each Department is authorized*  
6 *and directed to insert in any contract for an amount in excess*  
7 *of \$100,000 hereafter made by such Department (1) a pro-*  
8 *vision for the renegotiation of the contract price at a period*  
9 *when the profits can be determined with reasonable certainty;*  
10 *(2) a provision for the retention by the United States or the*  
11 *repayment to the United States of (A) any amount of the*  
12 *contract price which is deemed by the Secretary to represent*  
13 *excessive profits and (B) an amount of the contract price*  
14 *equal to the amount of the reduction in the contract price of*  
15 *any subcontract under such contract pursuant to the renego-*  
16 *tiation of such subcontract as provided in clause (3) of this*  
17 *subsection; and (3) a provision requiring the contractor to*  
18 *insert in each subcontract for an amount in excess of \$100,000*  
19 *made by him under such contract (A) a provision for the*  
20 *renegotiation by such Secretary and the subcontractor of the*  
21 *contract price of the subcontract at a period when the profits*  
22 *can be determined with reasonable certainty, (B) a provi-*  
23 *sion for the retention by the United States or the repayment*  
24 *to the United States of any amount of the contract price of*  
25 *the subcontract which is deemed by the Secretary to repre-*

1 *sent excessive profits, and (C) a provision for relieving*  
2 *the contractor from any liability to the subcontractor on*  
3 *account of any amount so retained by or repaid to the*  
4 *United States.*

5       *(c) The Secretary of each Department is authorized and*  
6 *directed, whenever in his opinion excessive profits have been*  
7 *realized, or are likely to be realized, from any contract with*  
8 *such Department, (1) to require the contractor to renegotiate*  
9 *the contract price, (2) to withhold from the contractor any*  
10 *amount of the contract price which is deemed by the Secretary*  
11 *to represent excessive profits, and (3) in case any amount*  
12 *of the contract price deemed by the Secretary to represent*  
13 *excessive profits shall have been paid to the contractor, to re-*  
14 *cover such amount from such contractor. Such contractor*  
15 *shall be deemed to be indebted to the United States for any*  
16 *amount which such Secretary is authorized to recover from*  
17 *such contractor under this subsection, and such Secretary may*  
18 *bring actions in the appropriate courts of the United States*  
19 *to recover such amount on behalf of the United States. All*  
20 *amounts recovered under this subsection shall be covered into*  
21 *the Treasury as miscellaneous receipts. After the expiration*  
22 *of this section no suit or action may be maintained in any*  
23 *court to recover from the United States any amount with-*  
24 *held from a contractor pursuant to the provisions of this*  
25 *subsection. This subsection shall be applicable to all contracts*



1 hereafter made and to all contracts heretofore made, whether  
2 or not such contracts contain a renegotiation or recapture  
3 clause, provided (in the case of contracts heretofore made)  
4 that final payment pursuant to such contract has not been made  
5 prior to the date of enactment of this Act.

6 (d) In renegotiating a contract price or determining  
7 excessive profits for the purposes of this section, the Secre-  
8 taries of the respective Departments shall not make any  
9 allowance for any salaries, bonuses, or other compensation  
10 paid by a contractor to its officers or employees in excess of a  
11 reasonable amount, nor shall they make allowance for any  
12 excessive reserves set up by the contractor or for any other  
13 costs incurred by the contractor which are excessive and  
14 unreasonable. For the purpose of ascertaining whether such  
15 unreasonable compensation has been or is being paid, or  
16 whether such excessive reserves have been or are being set  
17 up, or whether any other excessive and unreasonable costs  
18 have been or are being incurred, each such Secretary shall  
19 have the same powers with respect to any such contractor  
20 that an agency designated by the President to exercise the  
21 powers conferred by title XIII of the Second War Powers  
22 Act, 1942, has with respect to any contractor to whom such  
23 title is applicable. Each such Secretary may, whenever he  
24 deems it appropriate or in the interest of economy or the  
25 avoidance of duplication of inspection and audit, request the

1 *services of the Bureau of Internal Revenue for the purposes*  
2 *of making examinations and determinations with respect to*  
3 *profits under this section, and the Bureau of Internal Revenue*  
4 *shall make such services available for such purposes.*

5       *(e) In addition to the powers conferred by existing law,*  
6 *the Secretary of each Department shall have the right to*  
7 *demand of any contractor who holds contracts with respect*  
8 *to which the provisions of this section are applicable in an*  
9 *aggregate amount of \$500,000 or more, statements of actual*  
10 *costs of production and such other financial statements, at*  
11 *such times and in such form and detail, as such Secretary*  
12 *may require. Such statements shall be made under oath,*  
13 *except for such interim reports as may be required by the*  
14 *Secretary. Any person who willfully fails or refuses to*  
15 *furnish any statement required of him under this subsection,*  
16 *or who knowingly furnishes any such statement containing*  
17 *information which is false or misleading in any material*  
18 *respect, shall, upon conviction thereof, be punished by a fine*  
19 *of not more than \$10,000 or imprisonment for not more than*  
20 *two years, or both. The powers conferred by this subsection*  
21 *shall be exercised in the case of any contractor by the Secre-*  
22 *tary of the Department holding the largest amount of such*  
23 *contracts with such contractor.*

24       *(f) The authority and discretion herein conferred upon*  
25 *the Secretary of each Department, in accordance with regu-*

1 *lations prescribed by the President for the protection of the*  
 2 *interests of the Government, may be delegated, in whole*  
 3 *or in part, by him to such individuals or agencies in such*  
 4 *Department as he may designate, and he may authorize such*  
 5 *individuals or agencies to make further delegations of such*  
 6 *authority and discretion.*

7       *(g) If any provision of this section or the application*  
 8 *thereof to any person or circumstance is held invalid, the*  
 9 *remainder of the section and the application of such provi-*  
 10 *sion to other persons or circumstances shall not be affected*  
 11 *thereby.*

12       *(h) This section shall remain in force during the con-*  
 13 *tinuance of the present war and for three years after the*  
 14 *termination of the war.*

15       SEC. ~~(75)403~~ 404. No part of any appropriation con-  
 16 tained in this Act or authorized hereby to be expended (except  
 17 as otherwise provided for herein) shall be used to pay the  
 18 compensation of any officer or employee of the Government  
 19 of the United States, whose post of duty is in continental  
 20 United States unless such person is a citizen of the United  
 21 States, or a person in the service of the United States on  
 22 the date of the approval of this Act who being eligible for  
 23 citizenship had theretofore filed a declaration of intention to



1 become a citizen or who owes allegiance to the United  
 2 States. This section shall not apply to citizens of the Com-  
 3 monwealth of the Philippines.

4 SEC. ~~(76)~~~~404~~ 405. Section 302 (c) of the Treasury and  
 5 Post Office Departments Appropriation Act, 1942, and section  
 6 302 (c) of the Treasury and Post Office Departments Ap-  
 7 propriation Act, 1943, are hereby repealed; and the limita-  
 8 tion of \$750 specified in section 302 (a) of each of such  
 9 Acts and any similar limitation of the same or a lesser sum  
 10 specified in any other appropriation Act for such fiscal years  
 11 may be exceeded by such amount as the Secretary of War,  
 12 in the case of the War Department, the Secretary of the  
 13 Navy, in the case of the Navy Department, ~~(77)~~*the Commis-*  
 14 *sioners of the District of Columbia, in the case of the Govern-*  
 15 *ment of the District of Columbia,* and the Director of Pro-  
 16 curement, in the case of other essential governmental needs,  
 17 may determine necessary to obtain satisfactory motor-pro-  
 18 pelled passenger-carrying vehicles of the lightweight, low-  
 19 priced class, but in no event shall the price so paid for any  
 20 such vehicle exceed ~~(78)~~~~\$862.50~~ \$925 free on board factory  
 21 ~~(79)~~: *Provided, That purchases of automobiles heretofore*  
 22 *made at prices not in excess of those herein authorized are*  
 23 *hereby authorized and validated.*

1        SEC. ~~(80)405~~ 406. This Act may be cited as the “Sixth  
2 Supplemental National Defense Appropriation Act, 1942”.

Passed the House of Representatives March 28, 1942.

Attest:

SOUTH TRIMBLE,

*Clerk.*

Passed the Senate with amendments April 7 (legislative  
day, March 30), 1942.

Attest:

EDWIN A. HALSEY,

*Secretary.*





---

## AN ACT

---

Making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

---

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 1942

Ordered to be printed with the amendments of the  
Senate numbered









United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 77<sup>th</sup> CONGRESS, SECOND SESSION

Please return to  
LEGISLATIVE REPORTS AND SERVICE SECTION  
Office of Budget and Finance

Vol. 88

WASHINGTON, WEDNESDAY, APRIL 15, 1942

No. 75

## Senate

The Senate was not in session today. Its next meeting will be held on Thursday, April 16, 1942, at 12 o'clock meridian.

## House of Representatives

WEDNESDAY, APRIL 15, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, worship, honor, blessing, and power Thou art infinitely worthy to receive. We beseech Thee to mark for us the star on the horizon and let us hear the music on the troubled waters. Do Thou bless us with repose for meditation and reflection, compassing us with thoughts of seriousness, of responsibility, and inspiring us with a stimulus for righteousness, justice, and confidence. Cause us to use our power to bring the good things of life to those who are weak and impoverished and to give them the chartered rights to peace, happiness, and self-realization.

Remind us, our Father, in the midst of ill tidings, of Thy eternal calm and that Thou art a tower of defense to those who call Thee Lord and Master. Prepare our hands anew for heavy tasks, for willing sacrifice, and for the duties demanded by each day. In the hours of peril be Thou with our country's defenders in the far-away places of this torn earth; keep them strong and hopeful while our souls speak by our prayers and by our unwavering devotion. Blessed Lord, save us all from that hate which engenders blindness and at the last causes spiritual death. In our Saviour's name. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, with Senate amendments

thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. RANKIN of Mississippi. Reserving the right to object, Mr. Speaker, does this bill have in it the pay raise for the men in the service?

Mr. CANNON of Missouri. No; it does not.

Mr. RICH. Reserving the right to object, Mr. Speaker, what does the bill contain?

Mr. CANNON of Missouri. As the House passed the bill it provided \$18,156,000,000. As the Senate passed it, the total is \$19,062,000,000, most all of which is for the Army and the Navy.

Mr. RICH. Can the gentleman, as chairman of the Committee on Appropriations, tell us where we are going to get all the money we are appropriating?

Mr. CANNON of Missouri. The same place we get the money we have been appropriating for some time.

Mr. RICH. The trouble is that that place has been dried up for 10 or 12 years.

Mr. CANNON of Missouri. No; the patriotism of the American people never dries up.

Mr. RICH. Until you get the new tax bill in here to tax the people to get money, the way you are spending money I do not know what you are going to do but bankrupt the Government. That is all I can see ahead unless you try to get the income to meet your outgo. As the chairman of the Committee on Appropriations, the gentleman ought to get in consultation with the chairman of the Ways and Means and work a little closer in harmony.

Mr. CANNON of Missouri. All the Members of the House have recently been in consultation with the people at

home, and they approve of the expenditure of every dollar provided in this bill.

Mr. RANKIN of Mississippi. Further reserving the right to object, Mr. Speaker, can the gentleman from Missouri tell us briefly the principal changes made in this bill by the Senate?

Mr. CANNON of Missouri. There are 80 amendments, adding \$905,000,000. They cover a great many subjects, too numerous to mention at this time.

Mr. RANKIN of Mississippi. But the bill does not include the salary raise for the men in the service?

Mr. CANNON of Missouri. That was not included in the Budget estimates sent to us or in the amendments added by the Senate. I believe there is legislation now pending elsewhere to accomplish that end.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON of Missouri, WOODRUM of Virginia, LUDLOW, SNYDER, O'NEAL, JOHNSON of West Virginia, RABAUT, JOHNSON of Oklahoma, CASEY of Massachusetts, TABER, WIGGLESWORTH, LAMBERTSON, DITTER, and ENGEL.

### EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record twice, and to include in the first a resolution adopted by the legislature of my State, and in the second an advertisement appearing in the New York Times this morning containing a short statement by the editor of the Saturday Evening Post.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter last referred to appears in the Appendix.]



## RETAIL AUTOMOBILE DEALERS

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[Mr. CASEY of Massachusetts addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. NICHOLS addressed the House. His remarks will appear hereafter in the Appendix.]

## EXTENSION OF REMARKS

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to quote from the chairman of the Agricultural Marketing Administration in regard to gambling in agricultural products.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## COAL INDUSTRY WILL SUFFER STAGGERING BLOW IF ST. LAWRENCE SEAWAY IS APPROVED

Mr. VAN ZANDT. Mr. Speaker, despite frantic efforts on the part of advocates of the proposed St. Lawrence seaway to minimize the devastating effect of the project on the great coal industry of the Nation, it is an indisputable fact that serious economic results will follow the approval of this ill-timed and ill-advised expenditure of public funds.

The bituminous-coal industry of the United States is as much opposed to the proposed St. Lawrence hydro project and seaway as it was when evidence was presented before the Rivers and Harbors Committee in July 1941. It was pointed out at that time by spokesmen for the coal industry that we stood to lose several million tons of coal. The minimum that we would be expected to lose would be approximately 5,500,000 tons annually, as that quantity is equivalent to the present proposed horsepower to be installed. That is a direct loss. It is not possible for anyone to estimate what the actual loss might be.

It has been said by the proponents that it might possibly develop that this project would produce from six to seven hundred million horsepower, and if that be true the coal industry would stand to lose some 30,000,000 tons of coal annually. In order for one to visualize what this means to the industry, it is only necessary to analyze what the loss of 1,000,000 tons means. In gross revenue it would exceed \$2,000,000 to the producing coal companies. Mine labor would lose about 65 percent of that sum. The railroads would likewise lose about

\$2,000,000, and railroad labor loss would be about half of that sum. So, for each million tons of coal lost over \$4,000,000 in gross income is taken from the railroads and coal industry, and of that \$2,000,000 is taken from those who work in the mines and on the railroads. These are direct losses. They are the kind of losses that create bread lines. Should it develop that only the minimum loss of five and one-half million tons of coal was made effective, then the gross loss to the railroads and the coal industry would be about \$11,000,000 annually, and we reiterate that neither industry is in position to stand any such displacement or dislocation of their economy.

Just recently, during the cold spell, the facilities now located on the Niagara River were made impotent to a degree because of the floating ice in the river. Steam plants, producing their power from coal, had to be called on to make up the deficiency. That is general knowledge, which was printed throughout the region. If the present facilities are handicapped by reason of floating ice during severe cold weather, then it would seem to be the height of folly to spend hundreds of millions of dollars to build additional hydro plants so that they could be rendered inadequate as the result of severe weather.

A good deal of apprehension exists in this country today that some enemy might drop bombs on this continent. Should that unfortunate thing happen, what could be a better target than a large hydroelectric plant furnishing power for a great many war industries? Common sense dictates that it is far better to have a dozen steam plants located in the general area but separated so that each could perform its proper duty and if by chance one was destroyed it would not cripple the entire war program.

No one has yet testified that this project is absolutely essential to national defense. Several testified that it was needed for national defense.

There has been some rumor that the project might be separated, that is, abandonment of the seaway part of the project at this time. To do that does not lessen the opposition of the coal industry at all. We expose the entire interior of our country to seagoing vessels, possibly of an enemy character. We open up our markets to foreign countries, and we may expect those countries, when the war is over, to go to any extreme to market their products. Coal will be one of those products, and, assuming that the seaway is constructed, we may expect a flood of coal from Europe and Asia to take the place of American-produced coal and make American labor idle. It must be understood that there is no such thing as comparable wages with any other country in the world, as compared with those being paid by the mining industry in this country.

If the seaway portion is abandoned, then the people of the Midwest, who have been sold on this whole proposition on the grounds that their products would be moved direct from the factories and plants in Detroit and Duluth to foreign countries via the river, have been de-

ceived, and it would be a breaking of faith with those people from those sections of the country who have been led to believe that they would reap great benefits from this international seaway.

Now at this time, when the life of the Nation is at stake, there is no reason on earth for this vast expenditure. If power is needed, it can be secured from steam plants far more quickly than this project can be constructed. No one contends that it can be built in less than several years. Today we need every piece of machinery; every ounce of energy that we have should be devoted to war essentials. "Pork barrel" politics have no place in the present defense program.

(Mr. VAN ZANDT asked and was given permission to revise and extend his own remarks in the Record.)

## THE FATE OF FRANCE

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FADDIS. Mr. Speaker, the news from France grows more ominous day by day. German control over the unoccupied portion of that unfortunate nation is growing more and more rigid. Laval is back in the cabinet, and it seems fair to assume that he will strengthen the hand of Hitler by placing Darlan, of the Navy, and Dent, of the Army, in positions where they can be as active as possible in collaborating with the mad dog of Berlin in his world-wide holocaust.

These men are notorious enemies of the British and by virtue of that fact are also notorious and dangerous enemies of every democracy or free nation in the world and are indeed a dire menace to all humanity. Because of our many years of friendship, our love of democracy, and the former high code of honor of the French people, we had hoped that France would refuse to be a party to Hitler's rape of civilization. That hope has carried us much farther along the road of appeasement than can be justified by sound judgment.

We hope that the French people will rise in their wrath and prevent these traitorous leaders from leading them any farther down the road to destruction. As for us, this must be the parting of the way. We are fighting for our very lives. All who are against our Allies are against us. We must so class them now and after the war. The British and the Americans saved France from German enslavement in 1918. Are they now to repay us by a stab in the back with their naval dagger?

If these international racketeers have no regard for their own honor, or the honor of their nation, let them at least reflect upon their own certain fate. This time, as last time, the freemen of free countries will win the war. There can be no question about that. Let it be understood, however, that the end of this war will be far different from the end of the last. This time we are determined that for the expenditure of so much of our blood and our treasure we will visit a

64-12

11/11/12





## SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

---

APRIL 18, 1942.—Ordered to be printed

---

MR. CANNON of Missouri, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H. R. 6868]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 34, 66, 69, and 71.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 7, 8, 9, 10, 12, 14, 16, 17, 18, 19, 20, 23, 27, 28, 29, 31, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 77, and 78; and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In line 13 of the matter inserted by said amendment, after the word "appropriations", insert *and for carrying out the provisions of Executive Order Numbered 9112 of March 26, 1942*; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows:

In lieu of the sum proposed insert *\$777,912,000, which shall be available for the direct charter of vessels in emergency situations*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed insert \$1,333,725,277; and the Senate agree to the same.

Amendment numbered 64:

That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows:

In lieu of the sum proposed insert \$20,000; and the Senate agree to the same.

Amendment numbered 65:

That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows:

In lieu of the sum proposed insert \$5,000,000; and the Senate agree to the same.

Amendment numbered 67:

That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows:

In lieu of the sum proposed insert \$1,750,000; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows:

In lieu of the sum proposed insert \$812,000; and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the sum proposed insert \$113,250; and the Senate agree to the same.

Amendment numbered 73:

That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows:

Amend the matter inserted by said amendment as follows: In line 11 strike out the sum "\$50,000" and insert in lieu thereof \$150,000, and in line 14 strike out the word "summary" and insert in lieu thereof the word *statement*; and the Senate agree to the same.



The committee of conference report in disagreement amendments numbered 4, 11, 21, 22, 24, 25, 26, 30, 32, 33, 45, 68, 74, 75, 76, 79, and 80.

CLARENCE CANNON,  
C. A. WOODRUM,  
LOUIS LUDLOW,  
J. BUELL SNYDER,  
EMMET O'NEAL,  
JOSEPH E. CASEY,  
R. B. WIGGLESWORTH,  
W. P. LAMBERTSON,  
J. W. DITTER,  
ALBERT J. ENGEL,

*Managers on the part of the House.*

KENNETH MCKELLAR,  
CARL HAYDEN,  
MILLARD E. TYDINGS,  
ELMER THOMAS,  
JOSEPH C. O'MAHONEY,  
J. H. BANKHEAD,  
GERALD P. NYE,  
RUFUS C. HOLMAN,  
C. WAYLAND BROOKS,

*Managers on the part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 6868, the Sixth Supplemental National Defense Appropriation bill, 1942, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

### TITLE I—WAR DEPARTMENT

Nos. 2, 3, 5, 6, 7, 8, 9, 10, 12, 14, and 16: These amendments relate to form and the House accepts them.

No. 1: The Senate amendment extends the provisions of the House bill (which merges all 1942 appropriations in the several appropriation acts under the same heads), by bringing forward and merging under those heads the unexpended balances of 1940 and 1941 military appropriations and making them available for 1942 and 1943 obligations as well as for discharge of the obligations previously incurred under them for the respective fiscal years 1940 and 1941; the House accepts the Senate amendment modified to make the merged appropriations available for carrying out the provisions of Executive Order 9112 of March 26, 1942, for the guaranteeing or making of loans to contractors and thus facilitating the participation of small business enterprises in the war production effort.

Nos. 13 and 15, relating to transportation of the Army: Appropriates \$777,912,000, instead of \$761,412,202 as proposed by the House and \$817,912,000 as proposed by the Senate, and provides that the amount so appropriated shall be available for the direct charter of vessels in emergency situations.

No. 17: The House bill provided that limitations on appropriations heretofore made and those in this bill, available for the fiscal years 1942 and 1943, which prohibit the payment of persons who are not citizens of the United States, shall not apply to "persons who have lost their citizenship by serving in the armed forces of another nation but who apply and are accepted for service in the Army of the United States." The Senate modified the House provision by striking out the language above quoted and inserting in its place the words "military personnel".

### TITLE II—NAVY DEPARTMENT

No. 18: Inserts the paragraph, proposed by the Senate, making funds appropriated under the heading "Welfare and recreation" available for the hire and use of buildings, grounds, etc., for rehabilitation and recuperation of naval personnel returned from war service at sea or on shore beyond the continental limits of the United States, including Alaska, the Canal Zone, and insular possessions.

Nos. 19 and 20: Appropriates \$9,000,000, as proposed by the Senate, for maintenance, Bureau of Yards and Docks.

No. 23: Appropriates \$5,000,000, as proposed by the Senate, for the purchase of training ships for merchant marine personnel.

#### TITLE III—GENERAL APPROPRIATIONS

Nos. 27, 28, and 29, relating to the Senate: Reappropriates certain unexpended balances of appropriations for the contingent fund of the Senate as proposed by the Senate amendments.

No. 31: Increases from \$20,000,000 to \$25,400,000, as proposed by the Senate, the amount of the contract authority to the Public Roads Administration for construction of access roads under section 6 of the Defense Highway Act of 1941.

No. 34: Strikes out the appropriation of \$3,000,000, inserted by the Senate, for a fertilizer and elemental phosphorus-manufacturing plant under the Tennessee Valley Authority. This sum is in the Independent Offices Appropriation Bill, 1943, now pending in the Senate Committee on Appropriations and soon scheduled for consideration in the Senate.

Nos. 35 to 44, inclusive, and 46 to 62, inclusive, relating to the municipal government of the District of Columbia: Appropriates for the fiscal year 1942 for the following purposes in the amounts of the Senate amendments, respectively:

Department of Insurance, salaries, \$2,445.

Office of Administrator of Rent Control, salaries and expenses, \$5,400.

Contingent expenses, general, \$7,200.

Printing and binding, general, \$6,500.

Postage, \$4,000.

Street cleaning, \$20,000.

Community Center Department, Public Schools, \$15,000.

Completion of six unfinished classrooms, Lafayette School, \$45,000.

Inspections, Health Department, \$15,000.

Tuberculosis Sanatoria, maintenance, \$40,000; repairs and improvements, \$9,173; in all, \$49,173.

Gallinger Municipal Hospital, maintenance, \$73,700; repairs, \$6,500; in all, \$80,200.

Municipal Court, contingent expenses, \$840.

Jail, maintenance, \$4,650.

Workhouse and Reformatory, maintenance, \$12,000.

District of Columbia Training School, maintenance, \$15,000.

Industrial Home School for Colored Children, maintenance, \$5,000.

Militia, payment for accrued leave, fiscal year 1941, \$1,409.18.

Nos. 63, 64, 65, 66, and 67, relating to the Department of Agriculture: Appropriates \$500,000, as proposed by the Senate instead of \$250,000 as proposed by the House, for national forest protection and management; appropriates \$5,000,000, instead of \$2,000,000 as proposed by the House and \$18,100,000 as proposed by the Senate, for emergency forest-fire control, and makes \$20,000 of the \$5,000,000



available for personal services in the District of Columbia, instead of \$15,000 as proposed by the House and \$35,000 as proposed by the Senate; strikes out the paragraph, inserted by the Senate, proposing that the emergency forest-fire control appropriation should be available for maintenance of Civilian Conservation Corps camps, including pay of enrollee, if and when such camps should be transferred to the Forest Service; and appropriates \$1,750,000, instead of \$1,850,000 as proposed by the Senate and \$1,665,000 as proposed by the House, for control of incipient and emergency outbreaks of insect pests and plant diseases under the direction of the Bureau of Entomology and Plant Quarantine.

Nos. 69 and 70: Appropriates \$812,000, instead of \$324,800 as proposed by the House and \$1,565,000 as proposed by the Senate, for fire protection of forests, forest industries, and strategic facilities, under the jurisdiction of the Department of the Interior; and makes \$8,000 of such sum available for personal services in the District of Columbia as proposed by the House instead of \$50,000 as proposed by the Senate.

Nos. 71 and 72, relating to the Department of Labor: Strikes out the appropriation of \$90,000, inserted by the Senate, for expansion of the apprenticeship training program; and appropriates \$113,250, instead of \$76,500 as proposed by the House and \$226,500 as proposed by the Senate, for commissioners of conciliation.

No. 73: The House bill, by section 401, proposed the repeal of two provisions requiring the submission of reports to Congress by the War and Navy Departments with respect to contracts in excess of \$10,000. The Senate struck out the repeal provision and inserted a new section reenacting in modified form the previous requirements in connection with such reports. The House conferees accept the Senate language modified to confine the report requirement to contracts in excess of \$150,000 instead of those in excess of \$50,000 as proposed by the Senate, and by reducing the volume of information to be furnished in connection with the subject matter of the contracts by eliminating the requirement for a "summary" thereof and inserting requirement for a "statement" of the subject matter.

Nos. 77 and 78, relating to the limitations on the prices to be paid by Government agencies and the District of Columbia for low-priced, lightweight, passenger-carrying vehicles, provides that the top price to be paid, free on board factory, shall not exceed \$925 as proposed by the Senate, instead of \$862.50 as proposed by the House; and also provides that the Commissioners of the District of Columbia, in the case of such vehicles for the District, instead of the Director of Procurement, shall determine the price within the limit set.

#### AMENDMENTS REPORTED IN DISAGREEMENT

The following amendments are reported in disagreement. The subject matter of such amendments, and the action proposed to be recommended with respect thereto by the managers on the part of the House, are as follows:

Nos. 4 and 11: Appropriating \$2,218,100 for pay of members of the Army Specialist Corps. The managers on the part of the House will recommend that the House agree to Senate amendment No. 4 by inserting in lieu of the Senate language the following: *including the*

*pay of members of the Army Specialist Corps appointed subject to the approval of the War Department Personnel Board, \$327,331,562: Provided, That members of such corps who are assigned to the supply services of the Army may be paid from the appropriations for the work upon which they are engaged: Provided further, That no part of this appropriation shall be available to pay the salary of any member of such corps at a rate in excess of \$4,500 per annum unless such member is appointed by the President, by and with the advice and consent of the Senate.*

Amendment No. 11 is a general total concerned with the amount involved in amendment No. 4. If the latter amendment is agreed to as proposed, the House managers will recommend concurrence in amendment No. 11.

No. 21: Appropriating \$800,000,000 for public works, Bureau of Yards and Docks, Navy: The House managers will recommend that the House recede from its disagreement to the Senate amendment and concur therein with the following amendment:

At the end of the first paragraph of the matter inserted by such amendment insert the following before the period: : *Provided further, That the approximate cost of classes of projects under such sum of \$800,000,000 shall be as follows: Fleet facilities, \$4,000,000; aviation facilities, \$168,780,000; lighter-than-air program, \$25,000,000; storage facilities, \$119,000,000; liquid fuel storage, \$100,000,000; Marine Corps training facilities, \$20,000,000; ordnance storage facilities, \$150,000,000; personnel training and housing facilities, \$100,000,000; hospital and dispensary facilities, \$40,500,000; shore radio facilities, \$11,000,000; Naval Research Laboratory, \$720,000; miscellaneous structures, \$25,000,000; floating dry dock program, \$36,000,000: Provided further, That the approximate cost indicated for each such class may, in the discretion of the Secretary of the Navy, be varied upward or downward but the total cost shall not exceed \$800,000,000.*

Nos. 22 and 24: Making appropriations for the Navy available for the purchase, at a cost not to exceed \$25 per man, of civilian clothing to be issued to marines and members of the Coast Guard given discharges for bad conduct, undesirability, unfitness, or inaptitude. The House managers will recommend concurrence in the Senate amendments.

Nos. 25 and 26: Making appropriations for the Navy for 1942 and 1943 available to carry out the provisions of Executive Order No. 9112, approved March 26, 1942, for the guaranteeing or making of loans to contractors and thus facilitating the participation of small business enterprises in the war-production effort. The House managers will recommend concurrence in the Senate amendments.

No. 30: Increasing to \$10,000 the salary of the Assistant Director of the Bureau of the Budget. The House managers will recommend concurrence in the Senate amendment.

No. 32: Appropriating \$3,500,000 for continuance of construction, and increasing from \$13,300,000 to \$18,171,000 the limit of cost, of the Aircraft Engine Research Laboratory of the National Advisory Committee for Aeronautics, at Cleveland, Ohio. The House managers will recommend concurrence in the Senate amendment.

No. 33: Appropriating \$3,770,000 for expenses of the Selective Service System for the current fiscal year. The House managers will recommend concurrence in the Senate amendment.

No. 45: Appropriating \$40,000 for the current fiscal year for collection and disposal of refuse in the District of Columbia. The House

managers will recommend concurrence in the Senate amendment with an amendment to insert in the bill an appropriation of \$60,000, payable from District funds, to meet the requirements for the present fiscal year for payment of current pensions under "Policemen and Firemen's Relief."

No. 68: Increasing by \$4,080,000 the amount in the House bill for the establishment of air-navigation facilities under "Office of the Administrator of Civil Aeronautics." The House managers will recommend that the House insist upon its disagreement to the Senate amendment.

No. 74: Relating to renegotiation of contracts and repayment of excess profits under contracts and subcontracts under the War and Navy Departments and the Maritime Commission. The House managers will recommend that the House recede from its disagreement to the Senate amendment and agree thereto with an amendment, inserting the following section 403 in lieu of the section 403 proposed by the Senate:

*SEC. 403. (a) For the purposes of this section, the term "Department" means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term "Secretary" means the Chairman of such Commission; and the terms "renegotiate" and "renegotiation" include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d) and (e) of this section, the term "contract" includes a subcontract and the term "contractor" includes a subcontractor.*

*(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of*

*(A) any amount of the contract price which is found as a result of such renegotiation to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is found as a result of such renegotiation, to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.*

*(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department or from any subcontract thereunder, (1) to require the contractor or subcontractor to renegotiate the contract price, (2) to withhold from the contractor or subcontractor any amount of the contract price which is found as a result of such renegotiation to represent excessive profits, and (3) in case any*



amount of the contract price found as a result of such renegotiation to represent excessive profits shall have been paid to the contractor or subcontractor, to recover such amount from such contractor or subcontractor. Such contractor or subcontractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor or subcontractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. This subsection shall be applicable to all contracts and subcontracts hereafter made and to all contracts and subcontracts heretofore made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause, provided that final payment pursuant to such contract or subcontract has not been made prior to the date of enactment of this Act.

(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of each such Secretary and the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purposes of making examinations and determinations with respect to profits under this section.

(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount in excess of \$100,000, statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than two years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor, or by such Secretary as may be mutually agreed to by the Secretaries concerned.

(f) The authority and discretion herein conferred upon the Secretary of each Department, in accordance with regulations prescribed by the President for the protection of the interests of the Government, may be

*delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.*

*(g) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.*

*(h) This section shall remain in force during the continuance of the present war and for three years after the termination of the war, but no court proceedings brought under this section shall abate by reason of the termination of the provisions of this section.*

Nos. 75, 76, and 80: Changing section numbers to correspond to Senate action on amendment No. 74. The House managers will recommend appropriate action on these amendments to accord with House action on amendment No. 74.

No. 79: Ratifying the purchases of automobiles heretofore made at prices in excess of the statutory limitation. The House managers will recommend concurrence in the Senate amendment by inserting the following in lieu of the language proposed by the Senate: : *Provided, That purchases of automobiles of the lightweight, low-priced class heretofore made by the War and Navy Departments at prices in excess of \$750 each but not in excess of those permitted by this section are hereby validated.*

CLARENCE CANNON,  
C. A. WOODRUM,  
LOUIS LUDLOW,  
J. BUELL SNYDER,  
EMMET O'NEAL,  
JOSEPH E. CASEY,  
R. B. WIGGLESWORTH,  
W. P. LAMBERTSON,  
J. W. DITTER,  
ALBERT J. ENGEL,

*Managers on the part of the House.*









*To be lieutenants*

Edward R. Nelson, Jr. Frank McE. Smith  
 Willard J. Bain Warren W. Armstrong  
 Willie M. Dickey Alton E. Paddock  
 Clifton A. Neyman, Jr. Albert L. Carlson  
 Donald N. Clay Raleigh C. Kirkpatrick,  
 J. C. Gillespie Wilson Jr.  
 John D. Gerwick Matthew S. Schmidling  
 James M. Wolfe, Jr. Arthur M. Purdy  
 John S. Fletcher Philip F. Hauck  
 William J. Francis, Jr. Franklin G. Hess  
 John H. Brandt Carleton R. Kear, Jr.  
 Albert R. Weldon Thomas D. McGrath  
 Frank E. Sellers, Jr. Richard E. Harmer  
 William B. Wideman John H. Cotten  
 Roy C. Klinker Lloyd A. Smith  
 William R. Barnes Edward B. Schutt

*To be lieutenant (junior grade)*

Robert B. Byrnes

*To be medical directors*

Bertram Groesbeck, Jr.  
 Millard F. Hudson  
 John H. Robbins

*To be medical inspectors*

Dwight J. Wharton  
 Harvey E. Robins  
 John F. Luten

*To be surgeon*

Douglas T. Prehn

*To be passed assistant surgeon*

Robert V. King

*To be dental surgeons*

Arthur H. Yando Gunnar N. Wennerberg  
 Charles C. Tinsley Theodore DeW. Allan

*To be passed assistant dental surgeons*

Walter W. Lippold  
 Kenneth L. Urban

*To be paymaster*

Roland W. Rickerts

*To be passed assistant paymasters*

John B. Cline Fletcher McC. Lamkin  
 Christian L. Ewald Constantine C. Mathas

*To be chief gunner*

Wilbur R. Hunter

*To be chief radio electrician*

Clifton Shumaker

*To be chief machinists*

Joe B. Decker  
 Ralph H. Packer  
 Frank McDole

*To be lieutenant commanders*

Carter A. Printup Claude W. Haman  
 Paul W. Hord Benjamin Van M. Rus-  
 Willis H. Pickton sell  
 Paul A. Hartzell John G. Foster, Jr.  
 Waldo Tullsen Harold T. Deutermann  
 William G. H. Lind Edwin W. Herron  
 Thomas C. Thomas Thomas O. Oberrender,  
 Joe W. Stryker Jr.  
 Eugene E. Faro Arnold W. McKechnie  
 Charles F. Chillingworth, Jr. Liles W. Creighton  
 David C. White

*To be lieutenants*

Barry K. Atkins Murray Hanson  
 John A. Tyree, Jr. Lemuel M. Stevens, Jr.  
 Wallace A. Sherrill Raymond P. Zimmer-  
 John S. Coye, Jr. man  
 Raymond B. Jacoby Isthmian L. Powell  
 Joseph W. Williams, Edward W. Abbot  
 Jr.

*To be paymasters*

James R. Hanna  
 James P. Dowden

*To be passed assistant paymasters*

Donald W. Twigg Laurence A. White  
 Alfred T. Magnell Howard F. Kuehl  
 Thomas P. O'Connell

*To be assistant surgeons*

Wallace L. Chesbro Richter H. Wiggall  
 Talcott Bates David J. Henry  
 Otto A. Will, Jr. Edward F. McGrath  
 Roger D. Sherman Ralph L. Christy, Jr.  
 George L. Basham Paul P. Pickering

Walworth R. Slenger Robert M. Wallace  
 Charles A. Sand Thomas R. Counihan  
 Bruce R. McCampbell Robert H. Parker  
 Edward W. Pinkham, William C. Hamby  
 Jr. Gilbert C. Campbell  
 Robert B. Lindsay Nevin R. Trimbur  
 Harold A. Smedal Kenneth N. Roberts  
 Gustavus D. Bock John J. Tordoff  
 Kenneth M. Coyne John F. Barber  
 Henry C. Hunley, Jr. Jerome J. Burke  
 Lloyd A. Boehm Frederick A. Ruoff  
 William H. Requarth Robert B. Strother  
 Joseph A. Tyburczy Herbert Wilson, Jr.  
 John H. Griffin James N. Jeter  
 Merrill W. Etzen-Louis R. Gens  
 houser

*To be ensigns*

Raphael A. Zoeller Gordon A. Bowker  
 Charles H. Johnson, Jr. Vernon J. Coley, Jr.  
 John P. Aymond Frank V. Andrews  
 Frank W. Bampton John E. Parrott  
 Edgar H. Forrest Augustus Knight, Jr.  
 Wade C. Wells

## PROMOTIONS FOR TEMPORARY SERVICE IN THE MARINE CORPS

*To be major generals*

Ralph S. Keyser  
 Seth Williams

*To be brigadier general*

Ralph J. Mitchell

## PROMOTIONS IN THE REGULAR MARINE CORPS

*To be captain*

Robert W. Rickert

*To be second lieutenants*

Francis P. McCarthy Alfred L. Owens  
 Robert G. Owens, Jr. Bryan F. Jinnett, Jr.  
 Thomas J. Ahern William I. Kent  
 Philip R. White Carl O. J. Grussen-  
 Rubin Iden dorf  
 Dred F. Parks

# House of Representatives

MONDAY, APRIL 20, 1942

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Spirit of God, descend upon our hearts and teach us the patience of unanswered prayer, that our doubts may be broken and our souls filled with the pulsing lifeblood of an unconquerable faith. Abide with the patient sufferers, the toilsome workers, and with the far-away sentinels of our free institutions. Blessed Lord, Thou dost call us not to narrowness, not to gloom nor despondency, but to firmness and to the realization of the eternal truth that the majesty of spiritual values can never die.

We pray Thee to give us the passion to spread abroad self-sacrifice, forbearance, and the spirit of unity so essential to the very life of our Nation. When, O Lord, shall cruel feet no longer tread the wine press and the vast requiem of human sorrow cease? Here on our mother-soil have been patterned and inspired those generous ideals of our fathers and we beseech Thee that we may carry them to the torn peoples of this stricken earth. As the sword of justice cuts the bonds of oppression and the fires of freedom purge the dens of human slavery, we pray that knowledge and understanding may spread among those who are failing for the lack of vision; grant that all may seek a clearer sky and an unobstructed horizon of the truth. We pray that we may be manful, truthful, full of honor, and fearing only that which is evil. In our Redeemer's name. Amen.

## THE JOURNAL

The Journal of the proceedings of Thursday, April 16, 1942, was read and approved.

## SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

Under the order of the House of April 16, 1942, Mr. CANNON of Missouri submitted the following conference report and statement for printing in the RECORD under the rule:

### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 34, 66, 69, and 71.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 7, 8, 9, 10, 12, 14, 16, 17, 18, 19, 20, 23, 27, 28, 29, 31, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 77, and 78; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In line 13 of the matter inserted by said amendment, after the word "appropriations", insert "and for carrying out the provisions of Executive Order Numbered 9112 of March 26, 1942"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$777,912,000, which shall be available for the direct charter of vessels in emergency situations"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,333,725,277"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$20,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,000,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,750,000"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$812,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$113,250"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: Amend the matter inserted by said amendment as follows: In line 11 strike out the sum "\$50,000" and insert in lieu thereof "\$150,000," and in line 14 strike out the word "summary" and insert in lieu thereof the word "statement"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 11,

21, 22, 24, 25, 26, 30, 32, 33, 45, 68, 74, 75, 76, 79, and 80.

CLARENCE CANNON,  
C. A. WOODRUM,  
LOUIS LUDLOW,  
J. BUELL SNYDER,  
EMMET O'NEAL,  
JOSEPH E. CASEY,  
R. B. WIGGLESWORTH,  
W. P. LAMBERTSON,  
J. W. DITTER,  
ALBERT J. ENGEL,

*Managers on the part of the House.*

KENNETH MCKELLAR,  
CARL HAYDEN,  
MILLARD E. TYDINGS,  
ELMER THOMAS,  
JOSEPH C. O'MAHONEY,  
J. H. BANKHEAD,  
GERALD P. NYE,  
RUFUS C. HOLMAN,  
C. WAYLAND BROOKS,

*Managers on the part of the Senate.*

### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 6868, the Sixth Supplemental National Defense Appropriation bill, 1942, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

#### *Title I—War Department*

Nos. 2, 3, 5, 6, 7, 8, 9, 10, 12, 14, and 16: These amendments relate to form and the House accepts them.

No. 1: The Senate amendment extends the provisions of the House bill (which merges all 1942 appropriations in the several appropriation acts under the same heads), by bringing forward and merging under those heads the unexpended balances of 1940 and 1941 military appropriations and making them available for 1942 and 1943 obligations as well as for discharge of the obligations previously incurred under them for the respective fiscal years 1940 and 1941; the House accepts the Senate amendment modified to make the merged appropriations available for carrying out the provisions of Executive Order 9112 of March 26, 1942, for the guaranteeing or making of loans to contractors and thus facilitating the participation of small business enterprises in the war production effort.

Nos. 13 and 15, relating to transportation of the Army: Appropriates \$777,912,000, instead of \$761,412,202 as proposed by the House and \$817,912,000 as proposed by the Senate, and provides that the amount so appropriated shall be available for the direct charter of vessels in emergency situations.

No. 17: The House bill provided that limitations on appropriations heretofore made and those in this bill, available for the fiscal years 1942 and 1943, which prohibit the payment of persons who are not citizens of the United States, shall not apply to "persons who have lost their citizenship by serving in the



armed forces of another nation but who apply and are accepted for service in the Army of the United States." The Senate modified the House provision by striking out the language above quoted and inserting in its place the words "military personnel".

#### *Title II—Navy Department*

No. 18: Inserts the paragraph, proposed by the Senate, making funds appropriated under the heading "Welfare and recreation" available for the hire and use of buildings, grounds, etc., for rehabilitation and recuperation of naval personnel returned from war service at sea or on shore beyond the continental limits of the United States, including Alaska, the Canal Zone, and insular possessions.

Nos. 19 and 20: Appropriates \$9,000,000, as proposed by the Senate, for maintenance, Bureau of Yards and Docks.

No. 23: Appropriates \$5,000,000, as proposed by the Senate, for the purchase of training ships for merchant marine personnel.

#### *Title III—General appropriations*

Nos. 27, 28, and 29, relating to the Senate: Reappropriates certain unexpended balances of appropriations for the contingent fund of the Senate as proposed by the Senate amendments.

No. 31: Increases from \$20,000,000 to \$25,400,000, as proposed by the Senate, the amount of the contract authority to the Public Roads Administration for construction of access roads under section 6 of the Defense Highway Act of 1941.

No. 34: Strikes out the appropriation of \$3,000,000, inserted by the Senate, for a fertilizer and elemental phosphorus-manufacturing plant under the Tennessee Valley Authority. This sum is in the Independent Offices Appropriation Bill, 1943, now pending in the Senate Committee on Appropriations and soon scheduled for consideration in the Senate.

Nos. 35 to 44, inclusive, and 46 to 62, inclusive, relating to the municipal government of the District of Columbia: Appropriates for the fiscal year 1942 for the following purposes in the amounts of the Senate amendments, respectively:

Department of Insurance, salaries, \$2,445.  
Office of Administrator of Rent Control, salaries and expenses, \$5,400.  
Contingent expenses, general, \$7,200.  
Printing and binding, general, \$6,500.  
Postage, \$4,000.  
Street cleaning, \$20,000.  
Community Center Department, Public Schools, \$15,000.  
Completion of six unfinished classrooms, Lafayette School, \$45,000.  
Inspections, Health Department, \$15,000.  
Tuberculosis Sanatoria, maintenance, \$40,000; repairs and improvements, \$9,173; in all, \$49,173.  
Gaillinger Municipal Hospital, maintenance, \$73,700; repairs, \$6,500; in all, \$80,200.  
Municipal Court, contingent expenses, \$840.  
Jail, maintenance, \$4,650.  
Workhouse and Reformatory, maintenance, \$12,000.

District of Columbia Training School, maintenance, \$15,000.

Industrial Home School for Colored Children, maintenance, \$5,000.

Militia, payment for accrued leave, fiscal year 1941, \$1,409.18.

Nos. 63, 64, 65, 66, and 67, relating to the Department of Agriculture: Appropriates \$500,000, as proposed by the Senate instead of \$250,000 as proposed by the House, for national forest protection and management; appropriates \$5,000,000, instead of \$2,000,000 as proposed by the House and \$18,100,000 as proposed by the Senate, for emergency forest-fire control, and makes \$20,000 of the \$5,000,000 available for personal services in the District of Columbia, instead of \$15,000 as proposed by the House and \$35,000 as pro-

posed by the Senate; strikes out the paragraph, inserted by the Senate, proposing that the emergency forest-fire control appropriation should be available for maintenance of Civilian Conservation Corps camps, including pay of enrollee, if and when such camps should be transferred to the Forest Service; and appropriates \$1,750,000, instead of \$1,850,000 as proposed by the Senate and \$1,665,000 as proposed by the House, for control of incipient and emergency outbreaks of insect pests and plant diseases under the direction of the Bureau of Entomology and Plant Quarantine.

Nos. 69 and 70: Appropriates \$812,000, instead of \$324,800 as proposed by the House and \$1,565,000 as proposed by the Senate, for fire protection of forests, forest industries, and strategic facilities, under the jurisdiction of the Department of the Interior; and makes \$8,000 of such sum available for personal services in the District of Columbia as proposed by the House instead of \$50,000 as proposed by the Senate.

Nos. 71 and 72, relating to the Department of Labor: Strikes out the appropriation of \$90,000, inserted by the Senate, for expansion of the apprenticeship training program; and appropriates \$113,250, instead of \$76,500 as proposed by the House and \$226,500 as proposed by the Senate, for commissioners of conciliation.

No. 73: The House bill, by section 401, proposed the repeal of two provisions requiring the submission of reports to Congress by the War and Navy Departments with respect to contracts in excess of \$10,000. The Senate struck out the repeal provision and inserted a new section reenacting in modified form the previous requirements in connection with such reports. The House conferees accept the Senate language modified to confine the report requirement to contracts in excess of \$150,000 instead of those in excess of \$50,000 as proposed by the Senate, and by reducing the volume of information to be furnished in connection with the subject matter of the contracts by eliminating the requirement for a "summary" thereof and inserting requirement for a "statement" of the subject matter.

Nos. 77 and 78, relating to the limitations on the prices to be paid by Government agencies and the District of Columbia for low-priced, lightweight, passenger-carrying vehicles, provides that the top price to be paid free on board factory, shall not exceed \$925 as proposed by the Senate, instead of \$862.50 as proposed by the House; and also provides that the Commissioners of the District of Columbia, in the case of such vehicles for the District, instead of the Director of Procurement, shall determine the price within the limit set.

#### *Amendments reported in disagreement*

The following amendments are reported in disagreement. The subject matter of such amendments, and the action proposed to be recommended with respect thereto by the managers on the part of the House, are as follows:

Nos. 4 and 11: Appropriating \$2,218,100 for pay of members of the Army Specialist Corps. The managers on the part of the House will recommend that the House agree to Senate amendment No. 4 by inserting in lieu of the Senate language the following: "Including the pay of members of the Army Specialist Corps appointed subject to the approval of the War Department Personnel Board, \$327,331,562: *Provided*, That members of such corps who are assigned to the supply services of the Army may be paid from the appropriations for the work upon which they are engaged: *Provided further*, That no part of this appropriation shall be available to pay the salary of any member of such corps at a rate in excess of \$4,500 per annum unless such member is appointed by the President, by and with the advice and consent of the Senate."

Amendment No. 11 is a general total concerned with the amount involved in amendment No. 4. If the latter amendment is agreed to as proposed, the House managers will recommend concurrence in amendment No. 11.

No. 21: Appropriating \$800,000,000 for public works, Bureau of Yards and Docks, Navy: The House managers will recommend that the House recede from its disagreement to the Senate amendment and concur therein with the following amendment:

At the end of the first paragraph of the matter inserted by such amendment insert the following before the period: "*Provided further*, That the approximate cost of classes of projects under such sum of \$800,000,000 shall be as follows: Fleet facilities, \$4,000,000; aviation facilities, \$168,780,000; lighter-than-air program, \$25,000,000; storage facilities, \$119,000,000; liquid fuel storage, \$100,000,000; Marine Corps training facilities, \$20,000,000; ordnance storage facilities, \$150,000,000; personnel training and housing facilities, \$100,000,000; hospital and dispensary facilities, \$40,500,000; shore radio facilities, \$11,000,000; Naval Research Laboratory, \$720,000; miscellaneous structures, \$25,000,000; floating dry dock program, \$36,000,000: *Provided further*, That the approximate cost indicated for each such class may, in the discretion of the Secretary of the Navy, be varied upward or downward but the total cost shall not exceed \$800,000,000."

Nos. 22 and 24: Making appropriations for the Navy available for the purchase, at a cost not to exceed \$25 per man, of civilian clothing to be issued to marines and members of the Coast Guard given discharges for bad conduct, undesirability, unfitness, or inaptitude. The House managers will recommend concurrence in the Senate amendments.

Nos. 25 and 28: Making appropriations for the Navy for 1942 and 1943 available to carry out the provisions of Executive Order No. 9112, approved March 26, 1942, for the guaranteeing or making of loans to contractors and thus facilitating the participation of small business enterprises in the war-production effort. The House managers will recommend concurrence in the Senate amendments.

No. 30: Increasing to \$10,000 the salary of the Assistant Director of the Bureau of the Budget. The House managers will recommend concurrence in the Senate amendment.

No. 32: Appropriating \$3,500,000 for continuance of construction, and increasing from \$13,300,000 to \$18,171,000 the limit of cost, of the Aircraft Engine Research Laboratory of the National Advisory Committee for Aeronautics, at Cleveland, Ohio. The House managers will recommend concurrence in the Senate amendment.

No. 33: Appropriating \$3,770,000 for expenses of the Selective Service System for the current fiscal year. The House managers will recommend concurrence in the Senate amendment.

No. 45: Appropriating \$40,000 for the current fiscal year for collection and disposal of refuse in the District of Columbia. The House managers will recommend concurrence in the Senate amendment with an amendment to insert in the bill an appropriation of \$60,000, payable from District funds, to meet the requirements for the present fiscal year for payment of current pensions under "Policemen and Firemen's relief."

No. 68: Increasing by \$4,080,000 the amount in the House bill for the establishment of air-navigation facilities under "Office of the Administrator of Civil Aeronautics." The House managers will recommend that the House insist upon its disagreement to the Senate amendment.

No. 74: Relating to renegotiation of contracts and repayment of excess profits under contracts and subcontracts under the War and Navy Departments and the Maritime Commission. The House managers will rec-



commend that the House recede from its disagreement to the Senate amendment and agree thereto with an amendment, inserting the following section 403 in lieu of the section 403 proposed by the Senate:

"Sec. 403. (a) For the purposes of this section, the term 'Department' means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term 'Secretary' means the Chairman of such Commission; and the terms 'renegotiate' and 'renegotiation' include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d) and (e) of this section, the term 'contract' includes a subcontract and the term 'contractor' includes a subcontractor.

"(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is found as a result of such renegotiation to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is found as a result of such renegotiation, to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

"(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department or from any subcontract thereunder, (1) to require the contractor or subcontractor to renegotiate the contract price, (2) to withhold from the contractor or subcontractor any amount of the contract price which is found as a result of such renegotiation to represent excessive profits, and (3) in case any amount of the contract price found as a result of such renegotiation to represent excessive profits shall have been paid to the contractor or subcontractor, to recover such amount from such contractor or subcontractor. Such contractor or subcontractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor or subcontractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. This subsection shall be applicable to all contracts and subcontracts hereafter made and to all contracts and subcontracts heretofore made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause, provided that final payment pursuant to such contract or subcontract has not been made prior to the date of enactment of this Act.

"(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of each such Secretary and the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purposes of making examinations and determinations with respect to profits under this section.

"(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount in excess of \$100,000 statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than two years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor, or by such Secretary as may be mutually agreed to by the Secretaries concerned.

"(f) The authority and discretion herein conferred upon the Secretary of each Department, in accordance with regulations prescribed by the President for the protection of the interests of the Government, may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

"(g) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

"(h) This section shall remain in force during the continuance of the present war and for three years after the termination of the war, but no court proceedings brought under this section shall abate by reason of the termination of the provisions of this section."

Nos. 75, 76, and 80: Changing section numbers to correspond to Senate action on amendment No. 74. The House managers will recommend appropriate action on these amendments to accord with House action on amendment No. 74.

No. 79: Ratifying the purchases of automobiles heretofore made at prices in excess

of the statutory limitation. The House managers will recommend concurrence in the Senate amendment by inserting the following in lieu of the language proposed by the Senate: "Provided, That purchases of automobiles of the lightweight, low-priced class heretofore made by the War and Navy Departments at prices in excess of \$750 each but not in excess of those permitted by this section are hereby validated."

CLARENCE CANNON,  
C. A. WOODRUM,  
LOUIS LUDLOW,  
J. BUELL SNYDER,  
EMMETT O'NEAL,  
JOSEPH E. CASEY,  
R. B. WIGGLESWORTH,  
W. P. LAMBERTSON,  
J. W. DITTER,  
ALBERT J. ENGEL,

*Managers on the part of the House.*

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of Justice.
4. Department of Labor.
5. Department of War.
6. Civil Service Commission.
7. Federal Security Agency.
8. Federal Works Agency.
9. Interstate Commerce Commission.
10. The National Archives.
11. The Panama Canal.
12. Administrative office of the United States courts, Chicago, Ill.
13. Administrative office of the United States courts, Savannah, Ga.
14. United States courts, northern district of California.
15. United States Employees' Compensation Commission.

#### WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1943

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6736) making appropriations for the fiscal year ending June 30, 1943, for civil functions administered by the War Department, and for other purposes, insist on the disagreement of the House to Senate amendment No. 2, and agree to a conference.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I understand that this bill passed the House and then was brought back to the House for approval of certain Senate amendments which the House rejected.

Mr. SNYDER. We are still in disagreement on Senate amendment No. 2, which is the amendment we stated we would disagree to.

Mr. RICH. If we ask for the appointment of conferees again will the same stand be taken by the conferees in accordance with the verdict of the House when we rejected the amendment the







[Roll No. 52]

YEAS—238

Allen, Ill.  
Andersen, N. Mex.  
Anderson, Calif.  
Anderson, N. Mex.  
Angell  
Arnold  
Barnes  
Bates, Ky.  
Bates, Mass.  
Baumhart  
Beckworth  
Bennett  
Bishop  
Blackney  
Bland  
Boehne  
Boggs  
Bolton  
Boren  
Boykin  
Bradley, Mich.  
Brooks  
Brown, Ga.  
Brown, Ohio  
Bryson  
Bulwinkle  
Burch  
Burgin  
Butler  
Camp  
Cannon, Mo.  
Carlson  
Carter  
Cartwright  
Case, S. Dak.  
Chenoweth  
Chipfield  
Claypool  
Clevenger  
Cochran  
Coffee, Nebr.  
Collins  
Colmer  
Cooley  
Cooper  
Copeland  
Courtney  
Cox  
Cravens  
Crawford  
Crowther  
Culkin  
Cunningham  
Dirksen  
Disney  
Ditter  
Domengeaux  
Dondero  
Doughton  
Drewry  
Duncan  
Dworshak  
Eaton  
Elliot, Calif.  
Ellis  
Engel  
Englebright  
Fellows  
Fish  
Flannagan  
Folger  
Forand  
Ford, Leland M.  
Ford, Miss.  
Fulmer  
Gamble  
Gathings  
Gearhart  
Gehrmann

Gerlach  
Gibson  
Gillette  
Gillie  
Gore  
Gossett  
Graham  
Grant, Ind.  
Gregory  
Guyer  
Gwynne  
Haines  
Hall  
Leonard W.  
Halleck  
Hancock  
Hare  
Harris, Ark.  
Hart  
Hartley  
Healey  
Hébert  
Heidinger  
Hill, Colo.  
Hinshaw  
Hobbs  
Hoffman  
Hope  
Houston  
Hull  
Jennings  
Jensen  
Johns  
Johnson, Calif.  
Johnson, Ill.  
Johnson, Smith, Wis.  
Jones  
Jonkman  
Kerr  
Kilday  
Kinzer  
Kleberg  
Lambertson  
Landis  
Lane  
Lanham  
Larrabee  
Lea  
LeCompte  
McCormack  
Crawford  
Crowther  
Culkin  
Cunningham  
Dirksen  
Disney  
Ditter  
Domengeaux  
Dondero  
Doughton  
Drewry  
Duncan  
Dworshak  
Eaton  
Elliot, Calif.  
Ellis  
Engel  
Englebright  
Fellows  
Fish  
Flannagan  
Folger  
Forand  
Ford, Leland M.  
Ford, Miss.  
Fulmer  
Gamble  
Gathings  
Gearhart  
Gehrmann

Plauché  
Ploesser  
Plumley  
Poage  
Priest  
Rabaut  
Ramspeck  
Randolph  
Rankin, Miss.  
Reed, Ill.  
Reed, N. Y.  
Richards  
Rivers  
Rizley  
Robertson, N. Dak.  
Robertson, Va.  
Robinson, Utah  
Robson, Ky.  
Rockwell  
Rodgers, Pa.  
Rogers, Mass.  
Rogers, Okla.  
Romjue  
Russell  
Sanders  
Satterfield  
Sauthoff  
Schuetz  
Secrest  
Shafer, Mich.  
Sheppard  
Simpson  
Smith, Maine  
Smith, Ohio  
Smith, W. Va.  
Smith, Wis.  
South  
Sparkman  
Spence  
Springer  
Starnes, Ala.  
Stegall  
Stefan  
Stevenson  
Stratton  
Sullivan  
Sumners, Tex.  
Talbot  
Tarver  
Terry  
Thill  
Thomas, N. J.  
Thomas, Tex.  
Thomason  
Tibbott  
Tolan  
Traynor  
Treadway  
Van Zandt  
Vinson, Ga.  
Voorhis, Calif.  
Vorys, Ohio  
Wadsworth  
Ward  
Weaver  
Wene  
West  
Wheat  
Whitten  
Whittington  
Wigglesworth  
Williams  
Wilson  
Winter  
Wolcott  
Wolfenden, Pa.  
Wolverton, N. J.  
Woodruff, Mich.  
Youngdahl  
Zimmerman

NAYS—83

Baldwin  
Boland  
Bradley, Pa.  
Buckley, N. Y.  
Burdick  
Canfield  
Capozzoli  
Casey, Mass.  
Celier  
Coffee, Wash.  
Cole, N. Y.  
Cresser  
Cullen  
Curtis  
D'Alesandro  
Davis, Ohio  
Delaney  
Dewey  
Dickstein

Dingell  
Downs  
Eliot, Mass.  
Fitzgerald  
Flaherty  
Fogarty  
Gale  
Gavagan  
Hall  
Edwin Arthur  
Heffernan  
Hendricks  
Hill, Wash.  
Holmes  
Hook  
Hunter  
Imhoff  
Jackson  
Keane

Kee  
Keefe  
Kelley, Pa.  
Kennedy  
Martin J.  
Kennedy  
Michael J.  
Keogh  
Kirwan  
Klein  
Kopplemann  
Kunkel  
Leavy  
Lesinski  
Ludlow  
Lynch  
McKeough  
Maciejewski  
Maciora

Marcantonio  
Meyer, Md.  
Myers, Pa.  
Norton  
O'Brien, Mich.  
O'Connor  
O'Leary  
O'Toole  
Peterson, Fla.  
Pfeifer  
Joseph L.

Pheiffer, William T.  
Pittenger  
Ramsay  
Sacks  
Sasscer  
Scanlon  
Shanley  
Sheridan  
Smith, Wash.  
Snyder

Somers, N. Y.  
Sweeney  
Tenerowicz  
Thom  
Wasielewski  
Weiss  
Wickersham  
Wright  
Young

ANSWERED "PRESENT"—2

Allen, La. Talle

NOT VOTING—108

Andresen, August H.  
Andrews  
Arends  
Barden  
Barry  
Beam  
Beiter  
Bell  
Bender  
Bloom  
Bonner  
Buck  
Buckler, Minn.  
Byrne  
Byron  
Cannon, Fla.  
Chapman  
Clark  
Clason  
Cluett  
Cole, Md.  
Costello  
Creal  
Davis, Tenn.  
Day  
Dies  
Douglas  
Durham  
Edmiston  
Elston  
Faddis  
Fenton  
Fitzpatrick  
Ford, Thomas F.  
Gifford

Gilchrist  
Granger  
Grant, Ala.  
Green  
Harness  
Harrington  
Harris, Va.  
Harter  
Hess  
Holbrook  
Howell  
Izac  
Jacobsen  
Jarman  
Jarrett  
Jenkins, Ohio  
Jenks, N. H.  
Johnson, Ind.  
Johnson, Lyndon B.  
Johnson, Okla.  
Johnson, W. Va.  
Kefauver  
Kelly, Ill.  
Kilburn  
Knutson  
Kramer  
Lewis  
McGranery  
McLean  
Magnuson  
Mansfield  
Martin, Mass.  
Mason  
Merritt  
Michener

Mitchell  
O'Day  
Osmer  
Patman  
Patrick  
Patton  
Powers  
Rankin, Mont.  
Reece, Tenn.  
Rees, Kans.  
Rich  
Rockefeller  
Rolph  
Sabath  
Schaefer, Ill.  
Schulte  
Scott  
Scruggam  
Shannon  
Short  
Sikes  
Smith, Pa.  
Smith, Va.  
Stearns, N. H.  
Sumner, Ill.  
Sutphin  
Taber  
Tinkham  
Vincent, Ky.  
Vreeland  
Walter  
Welch  
Wheelchel  
White  
Woodrum, Va.  
Worley

So the motion to table the resolution was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Barden with Mr. Martin of Massachusetts.

Mr. Grant of Alabama with Mr. Powers.  
Mr. Bonner with Mr. August H. Andresen.  
Mr. Chapman with Mr. Bender.  
Mr. Kramer with Mr. Knutson.  
Mr. Holbrook with Mr. Reece of Tennessee.  
Mr. Davis of Tennessee with Mr. Short.  
Mr. Clark with Mr. Harness.  
Mr. Green with Mr. Johnson of Indiana.  
Mr. Patman with Mr. Taber.  
Mr. Sikes with Mr. Fenton.  
Mr. Cole of Maryland with Mr. Andrews.  
Mr. Patton with Mr. Clason.  
Mr. Smith of Virginia with Mr. Mason.  
Mr. Vincent of Kentucky with Miss Sumner of Illinois.

Mr. Creal with Mr. Michener.  
Mr. Patrick with Mr. McLean.  
Mr. Walter with Mr. Cluett.  
Mr. Durham with Mr. Jenkins of Ohio.  
Mr. Wheelchel with Mr. Howell.  
Mr. Woodrum of Virginia with Mr. Gilchrist.

Mr. Mansfield with Mr. Douglas.  
Mr. Lewis with Mr. Arends.  
Mr. Buck with Mr. Day.  
Mr. Granger with Mr. Tinkham.  
Mr. Bloom with Mr. Welch.  
Mr. Sabath with Mr. Elston.  
Mr. Dies with Mr. Rees of Kansas.  
Mr. Casey of Massachusetts with Mr. Gifford.

Mr. Bell with Mr. Stearns of New Hampshire.

Mr. McGranery with Mr. Rockefeller.  
Mr. Schulte with Mr. Vreeland.  
Mr. Costello with Mr. Rolph.

Mr. Byrne and Mr. Rich.  
Mr. Kocalkowski with Mr. Osmer.  
Mr. Beiter with Mr. Scott.  
Mr. Kefauver with Miss Rankin of Montana.  
Mr. Scruggam with Mr. Hess.  
Mr. Barry with Mr. Jarrett.  
Mr. Jarman with Mr. Jenks of New Hampshire.

Mr. Fitzpatrick with Mr. Buckler of Minnesota.

Mr. Edmiston with Mr. Merritt.  
Mrs. Byron with Mr. Harrington.  
Mr. Harris of Virginia with Mr. Beam.  
Mr. Kelly of Illinois with Mr. Smith of Pennsylvania.

Mr. Sutphin with Mr. Izac.  
Mr. Johnson of West Virginia with Mr. Schaefer of Illinois.

Mr. Shannon with Mr. Eberharter.  
Mr. Magnuson with Mr. Lyndon B. Johnson.  
Mr. Faddis with Mr. Thomas F. Ford.  
Mr. Harter with Mr. Johnson of Oklahoma.  
Mr. Worley with Mr. Jacobsen.  
Mrs. O'Day with Mr. Mitchell.

The result of the vote was announced as above recorded.

On motion of Mr. RANKIN of Mississippi, a motion to reconsider the vote by which the resolution was tabled was laid on the table.

The doors were opened.

#### REPORT ON ECONOMIC CONDITION IN THE ANTHRACITE COAL AREA

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND. Mr. Speaker, pursuant to House Joint Resolution 255, adopted by unanimous vote of both Houses of Congress and approved by the President on December 19, 1941, we have the honor to transmit herewith our report on economic conditions in the anthracite area, with recommendations as to both short-term and long-term measures of improvement.

In accordance with our mandate, we have sought in our investigations and in the report to—

take into consideration, among other relevant factors, (a) the availability in such regions, for national defense activities, of skilled and unskilled workers, factories, and housing, and other facilities, and (b) possible new and extended uses for anthracite coal and the by-products thereof.

You will note that our recommendations for improvement are directed to both Federal and State agencies, as well as to the anthracite industry. Certain of these remedial measures can be taken by administrative action, but some of the recommendations for long-term improvement contemplate Federal legislation. A copy of our letter of transmittal to the President is attached.

Mr. Speaker, I might at this time offer my commendations to the members of this commission because of its work and its actions being unique. The members of this Commission went to the anthracite region and held four meetings there and came back to Washington. It held three different meetings in Washington, attended by the full Commission, without the expense of one dollar to the Congress or to the Government.



I also wish to commend those in the different departments who were most helpful in compiling this report. The Commission was very fortunate in having such able assistance.

I sincerely hope the Members will read the report and learn what the conditions are in the anthracite regions.

It is our recommendation that this report be made a public document.

The report is respectfully submitted by the following members of the Federal Anthracite Commission: Patrick J. Boland, chairman; James J. Davis; Joseph F. Guffey; Ivor D. Fenton, Ernest I. Lewis; R. R. Sayers, secretary; Ralph J. Watkins.

#### INSURANCE OF LOANS BY FEDERAL HOUSING AUTHORITY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to consider the bill (H. R. 6927) providing for an increase of authorization for the insurance of loans by the Federal Housing Authority.

The bill has a unanimous report from the committee, and there really should be no contest over the passage of the measure so far as members of the committee are concerned, but the gentleman from Michigan and I have agreed to ask for 1 hour of debate on the bill.

Mr. McCORMACK. Mr. Speaker, will the gentleman include the matter of 1 hour of debate in his request?

Mr. STEAGALL. Yes; I do so request, Mr. Speaker.

I ask unanimous consent that the debate be limited to 1 hour, one-half to be controlled by the gentleman from Michigan [Mr. Wolcott] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on tomorrow, Calendar Wednesday, be dispensed with.

Mr. ENGLEBRIGHT. Mr. Speaker, reserving the right to object, and I do not intend to object, can the majority leader advise the House as to what the program for the remainder of the week will be?

Mr. McCORMACK. I will be pleased to advise the gentleman.

Aside from the bill that will come up tomorrow, as to which the gentleman from Alabama has just submitted a unanimous-consent request which has been granted by the House, there is no other legislation that I know of at this time. There may be a conference report called up if the conferees agree, but I know of no other legislation now that is coming up during the remainder of the week.

Mr. ENGLEBRIGHT. Has the gentleman reached any decision as to what may come up the first of next week?

Mr. McCORMACK. No.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therewith a letter addressed to myself by the Commissioner of the United States Office of Education.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[The matter referred to appears in the Appendix.]

#### EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection? There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

#### SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see House proceedings of April 18, 1942.)

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. CANNON of Missouri. Mr. Speaker, the managers on the part of the House submit the conference report on the sixth supplemental national defense appropriation bill for 1942.

It may be noted in this connection that the committee presenting the report is an exceptional committee, in that it consists of 14 managers on the part of the House and 14 managers on the part of the Senate, a total of 28 conferees, constituting the largest conference committee in congressional history.

But the important feature in the consideration of the report is that it is a unanimous report, approved by all members of the committee, from both Houses and both parties, who participated in the conference—and betokens to that extent the unanimity of the country in support of the war program of which it is a part.

With the appropriation of the money provided by this bill we are nearing a milepost in the fiscal provisions for the war. Continuous appropriations will be necessary for maintenance and replacement, depending in time and amount on the wastage of material at the front. Readjustment of the program from day to day to meet constantly changing conditions will necessitate emergency provision from time to time. But with the enactment of this bill basic production has been provided for and is now under way to implement every branch of the service.

In reviewing the results secured from these appropriations it is gratifying to be able to report progress exceeding the most optimistic estimates. The war has resolved itself largely into a race in the production of war equipment and on a conservative analysis of reports from plants and yards on the fabrication of planes, tanks, guns, munitions, and ships we are winning the race.

Among the surprises of the war, along with our underestimation of the resources of the enemy, was our underestimation of our own productive capacity. The prodigious accomplishments of American industry over the last 3 months stagger the imagination. Conversion—the most stupendous industrial revolution in all time—has been completed far in advance of all calculations. Already peace-time plants are in war-time production and moving into high gear. Assembly lines are rolling with steadily gathering speed. Torrents of war material are pouring out in ever-accelerating volume. All schedules are obsolete. "Months ahead of schedule" is becoming a familiar report, and munitions are reaching our Allies sooner than anticipated and in greater volume.

As a result we have already reached the first turn in the war. We have now outdistanced the enemy in production and are turning out in the United States alone more war material than Germany, Italy, and Japan combined. And this does not take into consideration the output of British, Russian, and Chinese facilities. Also, in the last week we have taken the initiative on the front and are carrying the war to the enemy. We have passed from the defensive to the offensive. We are beginning to hand it out as well as take it, and national morale is rising while enemy morale is on the wane.

The smashing drive of American air power along a thousand miles of the enemy's innermost defenses, heretofore considered invulnerable to attack, is the beginning of a systematic offensive which will grow with our increasing output until it reaches overwhelming proportions. The crushing blow at the heart of the Japanese Empire is only the first installment of our debt to Tokyo. America always pays in full. And we shall continue to pay and pay and pay, at that rate and in that manner, until American credit is at par in Tokyo, and Berlin, and throughout the world.

Of course, we cannot expect all the breaks. It is not as simple as that. There will be heartbreaking reverses—especially in these early months of the war. There is much bad news yet to come. But the vast resources of the United States are mobilizing with unexpected speed and power. Our Allies are fighting magnificently, with growing strength and courage, on land and sea and in the air. Time is running in our favor. Every week finds us stronger and the enemy relatively weaker. By the end of the year we will have passed their accumulated reserves and the end will be in sight.



We provide in this bill by direct appropriation and contract authority a total of a little over \$19,000,000,000.

In round figures the bill as it passed the House carried direct appropriations of \$18,157,000,000 and contract authorizations of \$145,400,000. The Senate added the sum of \$905,411,915.18 of direct appropriations and \$5,400,000 of contract authorizations. A number of amendments involving money have been brought back to the House for separate votes under our rules. If these amendments are disposed of in the manner the House conferees hope for, the bill will carry a total of direct appropriations of \$19,001,197,010.18 and contract authorizations totaling \$150,400,000, for a grand total of obligating authority of \$19,151,597,010.18. This latter amount is divided as follows:

War Department .....	\$17,394,677,343.00
Navy Department .....	1,634,751,500.00
Other agencies .....	122,168,167.18

The largest single item added by the Senate is the sum of \$800,000,000 for public works for the Navy Department. The House on yesterday passed the authorization bill for this purpose and we will ask you shortly to concur in the Senate amendment for this sum with an amendment that will make the appropriation conform to the break-down of the authorization bill as the House passed it.

There are a number of amendments which the House will be called separately to vote upon and I will be glad at that time to give an explanation. Items which many Members are interested in, particularly from the West and the Northwest, are the forest-fire-fighting items. The House allowed the Department of Agriculture, Forest Service, the sum of \$2,000,000 for emergency forest fire control and the Department of the Interior the sum of \$324,800 for forest-fire control upon lands under the jurisdiction of that department. The Senate increased the amount for the Forest Service to \$18,100,000 and the amount for the Interior Department to \$1,565,000. The conferees recommend in the conference report the amount of the Budget estimate for each item, namely, \$5,000,000 for the Forest Service and \$812,000 for the Interior Department. Members may recall that it has been the practice of Congress to meet whatever bill is incurred by the Forest Service in fighting forest fires on the public domain. We make a token appropriation of \$100,000 and allow the Department to utilize the funds in hand and incur a deficiency for whatever is necessary to meet the fire-fighting exigencies. This sum runs annually two, three, four, or five million dollars, depending on the extent and frequency of the fires. The fire-fighting item and these fire control and prevention emergency items, therefore, should not be confused. The \$5,000,000 for fire control is an emergency item that is additional to the usual item and work of fighting the fires. In connection with this item the Senate inserted a provision making this money available to pay the expenses of C. C. C. camps, including the pay of enrollees, if any of those camps should be transferred to the Forest Service. That amendment has been eliminated from the

bill. The House conferees took the position that the question of continuance of C. C. C. and maintenance of its camps should be determined in connection with the disposition of the C. C. C. for the next fiscal year rather than in connection with an appropriation for the Forest Service.

Another item in which many Members are interested is that of the amount of the contract authorization for access roads to military and naval reservations, war plants, and so forth. You will recall that \$150,000,000 was authorized for this purpose in the Defense Highway Act of 1941. Congress has heretofore made available either cash or contract authorization for \$124,600,000 of this sum, leaving \$25,400,000 of the authorization unprovided for. The House bill carried \$20,000,000 of this balance and the Senate raised that amount to \$25,400,000, and the conference report carries the Senate figure; so the entire authorization has now been met either by cash or contract authority.

On March 26, 1942, the President issued Executive Order 9112, which authorizes the War and Navy Departments and the Maritime Commission to enter into contracts with any Federal Reserve bank, the R. F. C., or other financing institutions for the purpose of financing any contractor or subcontractor or others engaged in any business or operation which is deemed by War or Navy or Maritime Commission to be in the interest of the prosecution of the war. This order is designed principally to give assistance to small business in financing its participation in war contracts. Provision has now been made in the bill so that the appropriations for the War and Navy Departments shall be available to carry out, without question, the intentions of the Executive order. In my judgment, it was not necessary to include this special provision in the bill, but, since the Senate added the amendments, we see no harm in including them.

As the bill passed the House, it contained provision for the repeal of two provisions of law requiring reports with respect to contracts entered into by the War and Navy Departments to be made to Congress when the amount of the contract exceeded \$10,000. These two Departments have millions of contracts, and the cost of making these reports was found to be out of proportion to the value of the reports when they reached Congress. The Senate, however, struck out the House repeal provisions and reenacted the provisions combining the two separate requirements into one and making it apply to contracts in excess of \$50,000. The House conferees accepted the Senate reenactment with a modification which limits the reports to contracts in excess of \$150,000.

Mr. BLAND. I have an inquiry as to amendment No. 13. I wish to concur with the gentleman's views. If he prefers to discuss the two items first, I will wait until he has finished.

Mr. CANNON of Missouri. We are glad to have the gentleman's concurrence, and if it is agreeable to him will take up the amendments seriatim as we reach them.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. VOORHIS of California. Does the gentleman mean that the Forest Service could go out now anticipating future possible danger from fire which might be started due to additional work in lumbering by some inexperienced people in some cases, or by enemy action, and put people on their rolls to prevent damage, or does he mean that it would be necessary for them to wait until something happened and then go out and take whatever steps were necessary to combat the fire and come back to the Budget for further money?

Mr. CANNON of Missouri. They have for the control work the \$5,000,000 which we are providing for one department and \$812,000 provided for another department. In addition to that, we supplement it by the usual provisions which are always made, under which they can incur a deficiency for fighting forest fires, which in past years has varied from \$1,000,000 to \$5,000,000 a year.

Mr. VOORHIS of California. But they cannot incur a deficiency in anticipation of forest fire danger, can they? They can only incur it in combating an actual fire, after it has started? Is that correct?

Mr. CANNON of Missouri. That is true. That has been in use for many years, and has proven both practical and successful. We have each time provided all the money necessary, and this time we provide in addition \$5,812,000 under which, as the gentleman says, they can anticipate such needs by carrying on fire control and prevention measures.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. I am happy to know that the conferees increased the amount that was provided in the bill by the House.

Mr. CANNON of Missouri. The conferees more than doubled the amount. Instead of the \$2,000,000 provided by the House, we have appropriated \$5,000,000.

Mr. O'CONNOR. I just want to call the gentleman's attention to this fact, that I can visualize conditions taking place in July, August, and September of this year, and particularly in view of the war in which we are engaged, and particularly in view of what some Japanese or somebody else might be able to do in that western country where we have millions of acres of the finest forest timber in the world. A few fires started in the forests will devastate the works. I am wondering if we reach the point where it looks as though we will need additional funds how the gentleman will feel about giving his aid to secure those funds to protect the forests in such event as I am speaking of?

Mr. CANNON of Missouri. I am certain there will be no difficulty in securing such additional funds as experience proves to be necessary.

Mr. COFFEE of Washington. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Washington.



Mr. COFFEE of Washington. I want to congratulate the gentleman for having upped the amount allowed by the House on this important item, and to make the observation that the people of my area and the Pacific slope, in conjunction with the gentleman from Montana, recognize the terrible peril confronting our centuries-old forests at the hands of possible Japanese saboteurs. I, therefore, congratulate the committee and its chairman for recognizing this peril, in upping the amount, and making the statement he has in explanation. It will reassure our people out on the west coast and particularly those engaged in the industry.

Mr. CANNON of Missouri. I appreciate the statement of the gentleman and realize fully the force of his position. I trust the forebodings of the gentleman will not be realized. But if additional funds are found to be necessary Congress will be in session and in a position to give the situation prompt attention.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. HOOK. We in our area certainly appreciate the action of the committee in increasing this amount in view of the lessened ability of the Civilian Conservation Corps to perform this important task. The C. C. C. boys previously rendered wonderful service, in cooperation with the Forest Service. The decrease in the number of camps of the Civilian Conservation Corps makes the hazards more perilous at this time; and I am happy to know that we shall have the necessary funds with which to combat any of these fires.

Mr. CANNON of Missouri. The provision for the C. C. C. camps was not allowed for the reason that the question of funds for the C. C. C. will come up almost immediately in connection with the regular appropriation bill now pending in the committee; and that matter will be disposed of at that time.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. HINSHAW. While the conferees raised the amount to \$5,000,000, did they realize that the Budget estimate was for \$18,000,000?

Mr. CANNON of Missouri. The Senate asked for the \$18,100,000, but after a conference it was unanimously agreed by both the House and Senate conferees that \$5,000,000, which is the Budget estimate sent in by the President, would be sufficient at this time.

Mr. HINSHAW. Does the gentleman believe it will be adequate for the purpose?

Mr. CANNON of Missouri. If not, it can be easily and promptly supplemented.

Mr. SMITH of Washington. Mr. Speaker, I want to add my further felicitations in appreciation of the work of the distinguished chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], and the action taken in increasing the amount of the forest-fire-control item from \$2,000,000 to

\$5,000,000, and also increasing the item of \$324,800 to \$812,000 for fire protection of the forest, forest industry, and strategic facilities. I am very certain this will be reassuring to the citizens of the Pacific Northwest and the western coast States as well as the rest of the country. It is true as our colleague the gentleman from California [Mr. HINSHAW] just indicated, that the estimate of the Forest Service was \$18,100,000; but as the chairman has well pointed out, there will be further deficiency appropriation bills from time to time, and if need should arise for additional funds, it will be possible quickly to obtain further funds for this work. I cheerfully accept the assurance of the chairman in that regard. The gentleman will recall that I appeared before both the House and Senate committees and urged the increased appropriation.

Mr. CANNON of Missouri. The gentleman is correct. The increase in that item was made largely in response to representations from the gentleman himself and the other gentlemen from the West and Northwest who brought the matter to the attention of the committee.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my distinguished friend from Washington, who has had such a large part in providing adequate appropriations for this purpose in the agricultural appropriation bill.

Mr. LEAVY. Mr. Speaker, amendment No. 66, commonly referred to as the McKellar amendment, which limited the expenditure of this money by providing that it should be used, insofar as necessary, for the payment of C. C. C. employees or enrollees, has been completely stricken out by the conferees, I understand.

Mr. CANNON of Missouri. That amendment was eliminated, due to the fact that an estimate for the C. C. C. is expected in the next week or two, at which time the whole matter will be thoroughly canvassed and provided for in the regular supply bill.

Mr. LEAVY. Just one further question: This \$5,000,000 is not necessarily for the national-forest land alone but covers all forest land, both private and State-owned as well?

Mr. CANNON of Missouri. All forest lands in the Nation.

Mr. LEAVY. And if the situation should be such as some of us in the West fear it may be by reason of war conditions, doubtless additional appropriations would be made to meet the threat of a changed condition.

Mr. CANNON of Missouri. That is true. It must be realized, of course, that while this fund ostensibly is for the entire United States, the bulk of it will be used in the area most susceptible to conflagration; and if found to be insufficient, it can be supplemented.

Mr. LEAVY. On day before yesterday, I believe, there was a terrible fire in Pennsylvania, a dreadful fire involving some 2,000 acres of land. It was announced to be of incendiary origin. This money would be available to combat such fires as that in a national forest, would it not?

Mr. CANNON of Missouri. That is true, and will be available for the purpose anywhere in the United States.

Mr. HAINES. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. HAINES. May I inquire what action was taken by the conferees insofar as a limitation of profits was concerned?

Mr. CANNON of Missouri. That is one of the amendments returned in disagreement for separate vote and if the gentleman will permit, we will take it up when it is reached in its order.

Mr. ANGELL. I want to compliment the members of the committee for restoring the Budget estimate for forest protection. As I understand from the gentleman's statement, if the \$5,000,000 in additional appropriations for the other department is found insufficient, they may as in the past make additional expenditures, and those will be covered later in a deficiency bill; so that if we should have a conflagration on the west coast, particularly from enemy action, there will be available funds either in this appropriation or in a deficiency bill to meet the situation?

Mr. CANNON of Missouri. The Congress is expected to be in continuous session and will be in position to meet such emergencies as they arise.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask the distinguished gentleman in connection with the statement he made at the opening of his remarks if he would go this far: Has that transformation, in his opinion, from peacetime to wartime which has occurred in this country in that startling way been under private management and with voluntary labor, and in the absence of coerced labor or involuntary servitude?

Mr. CANNON of Missouri. The conversion from civil production to war production has now been practically completed, and it is one of the most extraordinary developments in the history of industry. The lag which was anticipated has not been realized. Labor has been promptly assimilated. The plants have turned from civil production to war production overnight, and are now turning out a greater volume than under peacetime regime. For example, the Willow Run plant was on the first of this month employing 86,000 men. By the end of the month it is expected to be employing more men than were employed by the combined Ford plants at the peak of automobile production.

Mr. CRAWFORD. That is under private management?

Mr. CANNON of Missouri. Under private management. And General Motors reports that the dollar value of first quarter deliveries are this year five times those of a year ago, and this record is being matched in other plants in every center of production in the Nation. This remarkable transformation has been made voluntarily and has been worked out with the warm cooperation of the



executives and owners of the plants. The heartening feature of it is that there has been no instance of failure to collaborate and all problems have been amicably solved by mutual consent.

Mr. BLAND. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Virginia.

Mr. BLAND. I notice in amendment No. 13 that the House has receded from its disagreement to the Senate amendment and agreed to the same with an amendment as follows:

In lieu of the sum proposed insert \$777,912,000 which shall be available for the direct charter of vessels in emergency situations.

The House refused to insert a provision of \$56,499,798 which was for the charter of vessels. The Senate included the \$56,499,798 which appears to have been for that purpose. The conference agreement eliminates \$40,000,000 of that and inserts \$16,500,000, but the language that is used in the amendment would appear to make all of the sum of \$777,000,000 available for the direct charter of vessels in emergency situations, whereas it would be my thought that the conferees intended that the sum of \$16,499,798, the increase over the House amendment, is intended for the direct charter of vessels.

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania [Mr. SNYDER], the chairman of the Subcommittee on War Department Appropriations, who was in immediate charge of the item.

Mr. SNYDER. What is the gentleman's question?

Mr. BLAND. My question is whether or not \$16,499,798, the increase that was finally allowed by the conferees, is intended for the direct charter of vessels in emergency situations, or was it intended to make the whole amount available for that purpose in view of the fact that under the Executive order of the President all ships have been taken over by the War Shipping Administration.

Mr. SNYDER. I may say to the gentleman that up to December 7 there was about \$7,000,000 utilized by the Commission in chartering vessels. Furthermore, since December 7 in this rapid adjustment the bills have not come in for a number of ships that have been chartered. You have remaining there approximately nine or ten million dollars to take care of the situation when these bills come in, with the understanding that when the regular 1943 bill comes before the Congress, and it will be shortly, a further study can be made. We are going to start hearings shortly. If there are any additional adjustments necessary for the chartering of these ships to be financed, it will be brought before that committee at that time.

Mr. BLAND. That is all right, but does this language mean that the \$777,912,000 shall be available for the direct charter of vessels in emergency situations or the increase of \$16,499,798 will be available for that purpose? It would seem to me, if that is the intent, and that is what was done, the Senate allowed \$59,000,000 in round figures, then the conferees agreed

upon the elimination of \$40,000,000, so that \$16,000,000 in round figures would become available. Yet, instead of writing in this language which would have made it clear that that is the case, it states that \$777,912,000 shall be available for the direct charter of vessels in emergency.

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky [Mr. O'NEAL].

Mr. O'NEAL. The action of the committee, in effect, is to earmark the \$16,000,000 for the purpose of charter until the committee brings in its regular bill. Actually the Army can use the total amount as it sees fit.

Mr. BLAND. But it was intended to be earmarked?

Mr. O'NEAL. That is correct.

Mr. BLAND. That is my thought. That is what I wanted to make clear.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. When may we inquire into the provision with reference to limiting profits on war contracts?

Mr. CANNON of Missouri. That is one of the items returned for separate vote and will be brought up in its order. I may say, Mr. Speaker, that the conference report having been disposed of, we will then take up seriatim the amendments brought back in disagreement.

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, when this bill passed the House it carried a total of approximately \$18,157,000,000. When it passed the Senate it carried a total of approximately \$19,062,000,000. In other words, there was added in the Senate something over \$905,000,000.

This increase has been reduced in conference, assuming the recommendations of the conferees are followed, by something over \$61,000,000.

The total carried by the bill if the recommendations of the conferees are accepted, including contract authorizations, is \$19,151,597,010.18.

Of the total increase recommended, as compared with the House bill, amounting to about \$844,000,000, \$800,000,000 is accounted for by the public works and public utilities construction authorized by the bill which passed the House on yesterday and which passed the Senate sometime ago. Other large items of increase are to be found in the item just discussed by the gentleman from Virginia [Mr. BLAND] for Army transportation amounting to \$16,500,000; in the item for the Coast Guard permitting the purchase of 5 training ships, amounting to \$5,000,000; in the item providing for the Army Specialists Corps, \$2,218,000; in the forest fire fighting increases, which also have been referred to, amounting to \$3,487,000; in an increase to complete the construction of the aircraft engine research laboratory for the N. A. C. A. in Cleveland, \$3,500,000; and in an item for the Selective Service System resulting from the additional registrations of February 16 and April 27, and

for the required occupational questionnaires in connection with those registrations, \$3,770,000.

Personally, I should have liked to have seen two or three minor items reduced below the point at which they are carried in the recommendations of the conferees. On the whole, however, I think the conferees have done a good job, and I hope the report will be adopted.

There are 15 or 16 items which are technically in dispute and which must be voted on by the House as separate amendments. They will permit further discussion, if desired, when they are taken up individually.

Unless there are some questions, Mr. Speaker, I shall not take further time on the conference report.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, an item in this bill provides for 100 new labor conciliators, which ought to be evidence to the people that we still have plenty of labor troubles left.

Last night I heard on the Labor Forum a statement by the gentleman from Virginia [Mr. SMITH] and an answer thereto by the chairman of the Committee on Labor, the gentlewoman from New Jersey [Mrs. NORTON]. Her first point was that the people had been misinformed and did not know that they could work longer than 40 hours. We heard that bogey announced to the Nation on the 23d of March, just about a month ago. I have been home and had meetings in every county of my district, but never once did anybody raise the question or appear not to know what is in the Wages and Hours Act. I never once heard the ignorance exposed that has been stressed so much in the address last night in the reply of the gentlewoman from New Jersey [Mrs. NORTON].

Throughout her 15 minutes there was no reference and no answer to the gentleman from Virginia [Mr. SMITH] about the purpose of the act which he had strongly set forth. The purpose of the act which required time and a half for overtime was to penalize the employer, to force him not to use men more than 40 hours, in order to spread labor. As a member of the Committee on Labor, I heard the hearings on the bill. No reference was made and no answer was given to the presentation by the gentleman from Virginia regarding the purpose of the act.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. A little later, please.

No reference was made in the 15 minutes the gentlewoman from New Jersey was speaking to economy or to the taxpayers of the Nation. That is a very important fault with labor throughout this whole discussion. They talk about the employer as a capitalist and then they talk about labor. But there was not one reference in the 15 minutes of her statement last night about the taxpayers, about the unconscionable debt that is piling up, or about what the taxpayers are going to have to face in the future.



Not one single reference was made to that.

The gentleman from Virginia [Mr. SMITH] showed that the Navy Department stated that overtime had already cost the Navy \$4,000,000,000, quite a considerable sum, in overtime in the Navy alone. This is going to be a long war; everybody says that. The President says it will last 3 years. Most people believe it will last longer than that. We have just started, yet we have spent \$4,000,000,000 in overtime in the Navy alone. Yet we are emphasizing trying to save everywhere we can.

In her closing remarks, the gentleman from New Jersey, on whose committee I have served, and for whom I have high respect, said that if the recommendations of the President of the United States had been followed we would have far more tanks and planes over there now.

Now the testimony before this committee from the Army and the Navy on the last day of our hearings on this \$19,000,000,000 bill, and this is apropos, was that the Army and the Navy had not asked for anything from the time of this emergency that had not been granted them by the House and the Senate of the United States—not 1 cent. Now how could that other statement be true if the President had had his way and never a budget estimate for defense was denied? The Army and the Navy told this deficiency subcommittee 3 weeks ago that not one item had ever been denied for defense, and yet they go out over the land and in the forum and on the air and say these things which are not so. In their enthusiasm they are extravagant and they have just said it so long that they think it is so or something of that sort.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. Wait until I get through and then I will yield.

Mr. COCHRAN. Will the gentleman yield in reference to a statement the gentleman has made?

Mr. LAMBERTSON. I will have to yield to the lady from New Jersey first.

I have here a letter that is typical of letters I get from the Army, from the east and the west and the south and the north. This is a major who wrote me and I will not tell anybody, of course, who he is, but he is on the Pacific coast and it is typical of what is going on that we want to avoid if we are going to win this war:

I could have a book written on silly things that the Air Corps is doing. Steel writing desks, a typewriter for each, tennis courts, low shoes, swimming pools, bowling, and all sorts of things.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. Wait until I finish this.

So much to be done and so little time, and spending useful hours on nonessentials, at least nonessentials at this time. Our men want training for war and fighting. Our

motto in the QM is more bullets, more bombs, less bull.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. I yield to the lady from New Jersey.

Mrs. NORTON. The gentleman has criticized me for not replying to Mr. SMITH.

Mr. LAMBERTSON. Yes.

Mrs. NORTON. May I say to the gentleman that a day or so ago I called up the Star, whose guest I was, and asked the editor, Mr. MacKelway, what the subject of our discussion was to be, and he said the 40-hour workweek. If the gentleman will take the trouble to read my extension which I shall put in the RECORD today, he will find that I absolutely kept to the subject and I explained that in the beginning of my talk, while Mr. SMITH did not explain the 40-hour workweek, but did discuss his pending bill.

Mr. LAMBERTSON. I beg the lady's pardon, but she did not make any reference to the purposes of the bill or the penalizing of the employer.

Mrs. NORTON. Of course, I made reference to the entire matter. The employer is not penalized.

Mr. LAMBERTSON. I listened very carefully.

Mrs. NORTON. I would say to the gentleman to please read my extension of remarks in the RECORD today. I think he will then be a little better informed.

Mr. LAMBERTSON. If the lady's extension of remarks contains things she did not say last night, how can others tell from her extension which are revised? Anyone who heard her last night knows what she said.

Mrs. NORTON. Of course, the lady from New Jersey would never expect the gentleman to understand anything that she would say.

Mr. LAMBERTSON. Oh, well; all right.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. BULWINKLE. Did I understand the gentleman to read a letter from a major in the Army that said that every man in the Army had a typewriter?

Mr. LAMBERTSON. Yes; that is what he said.

Mr. BULWINKLE. That every man in the Army had a typewriter?

Mr. LAMBERTSON. Of course, I mean that every officer has a typewriter, while business is being denied them.

Mr. BULWINKLE. The gentleman did not say "officer," he said "man."

Mr. LAMBERTSON. I meant every officer. I was interrupted while reading his letter. Sorry I misspoke.

Mr. BULWINKLE. Now I do not know what the gentleman means.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. Hook].

Mr. HOOK. Mr. Speaker, I listened with interest to the gentleman from Kansas [Mr. LAMBERTSON] and particularly when he mentioned the 40-hour week. I note his argument was that if the Smith bill was adopted that it would definitely

set up a real 40-hour week wherein men would not be inclined to work over 40 hours and therefore that would spread employment and put more men to work. This is a facetious argument and seems to be rather a diversion from the real purpose of the bill. I would like to call the attention of the gentleman that a recent survey showed that as the program for increased production proceeds there will be a shortage of labor. In fact, I understand that they expect a shortage of 2,000,000 and that it will be necessary to go into the field of women and young men in order to carry on the full peak of the production load.

The real purpose of the bill is to cut down the pay of the man who works over 40 hours a week. The idea that has been spread throughout the Nation is that it will increase the cost of the war program. I doubt this very much. In fact, I am positive that it will not, even though on first blush it might seem so. If some of these men were paid double time for overtime for 40 hours a week, there would be an incentive for men to work over 40 hours a week. The profits, of course, of the manufacturer would not be as great as if we established a 48-hour week, wherein men would be working 8 hours over the 40 hours for the same rate of pay. If such a thing was put into effect, I am certain it would disrupt the war-production program. It is not the laboring man or the pay of the laboring man that is holding up production at this time.

I note that the gentleman from Kansas stated that the gentlewoman from New Jersey [Mrs. NORTON] made the statement that if the President had his way that we would have had far greater production at this time in tanks, guns, airplanes, and war material. I want to compliment the gentlewoman from New Jersey for her statement, because she is stating a fact.

Let me call the gentleman's attention to the fact that a year before the automobile industry in my State made any attempt to convert their machinery to war activity they were requested to convert, and at that time they flatly refused to comply with the President's request. If they had complied with President Roosevelt's request or suggestion at that time, the plants would have been producing war materials instead of automobiles for a full year, which would have brought us up to the peak of production at this time.

I cannot understand why certain gentlemen on the floor of this House are always blaming labor for a slowdown or an interruption in the war program. Let us start from that premise. Who has the biggest stake in the winning of this war? Is it the large manufacturer who would be able to make deals with the enemy? Or is it the laboring man, the labor unions, and labor leaders? If Hitler and his Axis Powers are successful in this war, and God forbid that they ever should be, the first men who would be lined up before the firing squad and shot down would be the labor leaders of this Nation and Members of Congress who have fought vigorously on the floor of this House in the interest of the laboring



man of this Nation and those who have fought in the interest of building up a strong defense and strong war program with all-out production to support our fighting troops. The labor leaders, the laboring men, and the Members of Congress interested in progressive legislation, therefore, are the parties who have the greatest stake in the winning of this war, not only because of their patriotic spirit and love of country, but in the interest of saving their own skins. The labor leaders, the laboring men, and members of labor unions are earnestly and conscientiously working in the interest of all-out production. I am not so sure whether that is true about certain other elements. I do not like to suspect their motives, although I have a perfect right to do so.

I am informed that certain automobile factories in my State have not converted machines previously used in those factories to war production, even though 75 to 80 percent of those machines can be used in the war production program. True, new machines might possibly do a little better work, but idle machines do no work other than work for Hitler. I have been told that the machines of those corporations are lying idle because of the fact that the automobile manufacturers—at least some of them—say that it is impossible to convert them to national defense or to convert them to the war program. It should be borne in mind when such arguments are set forth that the purchasing commissions of Great Britain, Russia, China, and our Allies are ready and willing to take these machines and put them into operation so that they may be able to use them in their production program. Therefore, if the automobile companies cannot or will not put these machines to work in this country, then it is my contention that under the lend-lease bill those in charge of the Government program have the authority to commandeer these idle machines "that are working for Hitler," and ship them to our Allies for their use. This, in my opinion, should be done, because every machine in this Nation that is idle is truly working for the Axis. I assure you and charge the fact to be at this time that, if such a gesture was made and those machines were offered to our Allies, to be shipped across the seas to be put into production, you would find that this group would put them into production here in the United States of America, rather than to see them shipped overseas. The reason that these machines are standing idle is that, if and when this war should end, they, the automobile manufacturers, want to be in a position to be able to use those very machines to start production of automobiles again. We cannot let this type of sabotage continue.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HOOK. Yes.

Mr. KEEFE. Is not the gentleman aware of the fact that machinery is already in motion, and has been for a long time, by which the Government, in co-operation with these manufacturers, is dealing with that very problem, so as to allocate those machines now under tar-

Paulins and covered with oil that are lying outside into the hands of manufacturers throughout the country who can use them? Is not the gentleman aware that that effort is going on?

Mr. HOOK. Let me tell the gentleman this: I am aware that there has been some rumor that the War Production Board was supposed to have made a survey of the idle machines, idle plants, and idle manpower of the Nation, and after such survey had been completed that there would be an attempt then to bring them into cooperation with the war program. I have not seen any record of any report of that kind, and the plants are still idle and the machines are not working. Let me call the gentleman's attention further to the fact that there were some 200 lathes recently produced by the Prescott Co., of Menominee, Mich., and those 200 lathes were in that plant for several months. Nobody seemed to know where they were to be shipped or sent. I do not know whether they still are lying idle at Menominee, Mich.

I do know that a survey was made by different union organizations, and anybody that is interested could probably obtain a copy of the results of that survey. I find in checking 1 week's survey of the Chevrolet forge division of General Motors shows that the plant is not operating at anywhere near capacity. It shows that in the steam shop, first shift, out of 80 steam hammers, the following number were being operated:

April 6, 1942: 33 hammers, 3 forging presses.  
April 7, 1942: 34 hammers, 2 forging presses.  
April 8, 1942: 38 hammers, no forging presses.  
April 9, 1942: 45 hammers, 1 forging press.  
April 10, 1942: 42 hammers, 1 forging press.

On the second shift there were only a limited number of steam hammers running out of the 80 steam hammers available. The survey showed that on the second shift there were on:

April 6, 1942: 37 hammers, 3 forging presses.  
April 7, 1942: 39 hammers, 1 forging press.  
April 8, 1942: 39 hammers, 1 forging press.  
April 9, 1942: 45 hammers, 1 forging press.  
April 10, 1942: 44 hammers, 1 forging press.

On the third shift there were on:

April 6, 1942: 11 hammers, no forging presses.  
April 7, 1942: 11 hammers.  
April 8, 1942: 12 hammers.  
April 9, 1942: 13 hammers.  
April 10, 1942: 12 hammers.

In the board shop, where there were 31 board hammers available, the following is the list of the number that was actually running and actually being used:

April 6, 1942: 12 hammers.  
April 7, 1942: 10 hammers.  
April 8, 1942: 12 hammers.  
April 9, 1942: 12 hammers.  
April 10, 1942: 11 hammers.

On the second shift there were:

April 6, 1942: 11 hammers.  
April 7, 1942: 8 hammers.  
April 8, 1942: 11 hammers.  
April 9, 1942: 9 hammers.  
April 10, 1942: 8 hammers.

Then in the upsetter department, out of a total of 26 upsetters there were only a limited number operating. For instance, on the first shift:

April 6, 1942: 14 upsetters.  
April 7, 1942: 12 upsetters.  
April 8, 1942: 13 upsetters.  
April 9, 1942: 16 upsetters.  
April 10, 1942: 13 upsetters.

On the second shift:

April 6, 1942: 12 upsetters.  
April 7, 1942: 13 upsetters.  
April 8, 1942: 15 upsetters.  
April 9, 1942: 14 upsetters.  
April 10, 1942: 15 upsetters.

On the third shift:

April 6, 1942: 7 upsetters.  
April 7, 1942: 9 upsetters.  
April 8, 1942: 8 upsetters.  
April 9, 1942: 9 upsetters.  
April 10, 1942: 9 upsetters.

Thus you will see only half of those available are used. This should give those interested a picture of the real state of affairs. It is not the lack of interest, lack of patriotism, or lack of initiative on the part of the laboring man or the labor unions, but a laxity on the part of management who have the available machines in not operating them in the interest of the war program.

I am informed and charge the fact to be that labor union men provided stickers to be placed in a conspicuous spot on the idle machines with the statement on those stickers: "These machines are working for Hitler." When it was found out that these men were extending their best effort to see that these idle machines were put into production they were threatened by the personnel officer that they would be fired if there was any more activity along those lines. In fact, the statement was made by the personnel officer of the Chrysler plant to members of Local No. 7 of the United Automobile Workers that if there was any more activity along those lines that the union members would be disciplined and, if necessary, discharged.

Gentlemen, an outstanding example of an idle plant is the Ford plant at Iron Mountain, Mich., in my district. It is one of the finest, one of the most efficient plants of its kind in the world. At one time there were 7,600 men employed in that factory, and within the last 6 months it is my understanding that there has been at different times over 4,600 men employed. That plant lies idle today, even though we are screaming for all-out production. I took this matter up with the War Production Board. I was informed by the Board that Ford had plenty of contracts, and they could not understand why, if he was interested in production, that he could not put this plant into operation. The fact remains, though, gentlemen, that the men who were working in that plant are walking the streets idle today begging for a job, begging to be a part of the great war program, begging to be able to produce goods to help their sons and their brothers who are fighting to the death in the front lines. An idle plant is an Axis agent in this country. This plant is idle notwithstanding what the gentleman from Wisconsin said that there was supposed to be a survey of the facilities of this Nation so as to put the idle plants in operation. There are idle plants throughout this Nation. There are idle men and idle machines. There is no reason for it. The laboring man is ready and willing to work



in the war program to the fullest extent of his capacity because it is his sons and his brothers that are fighting and dying that democracy may live. If there is a lag in production, if we have not met the full peak of production, it is not the laboring man that is responsible, and it is about time that we stop this argument of blaming the laboring man because of lack of production.

There is no doubt in my mind that there will be an effort to sabotage the labor laws of this Nation and to sabotage the Wages and Hours Act, to sabotage the 40-hour week, and you will be led to believe by the spokesmen of those who claim that they are doing it in the interest of labor but, in fact, are the enemies of labor, that the laboring man is not doing his part and must be forced by the whip and the lash. The truth is, gentlemen, that there is nothing behind this program of antilabor legislation other than a question of the amount of pay. The laboring man is entitled to a fair compensation for his efforts. Any man who works over 40 hours a week is entitled to extra pay for that extra time. He is entitled to time and one-half. It is not the additional pay that is the big item but the enormous profits and the red tape that it seems almost impossible to cut that is responsible for any lack of production that we have at this time.

If the War Production Board has completed a survey, I feel that they would be in a position to be able to commandeer the idle plants and idle machinery to put all men to work in our war program. Those who are in a position to know and understand the situation, men such as Donald Nelson, at the head of the War Production Board, the Secretary of the Navy, and many others, such as Paul McNutt, have recommended against any change in the labor laws of this Nation at this time. I trust that this Congress will not bow to the wishes of the Axis agents and interfere with the labor situation at this time. I implore you, as patriotic Members, to vote down any attempt to sabotage the labor laws that are now on the statute books.

Members of labor organizations are buying Defense bonds by the millions and will continue to buy Defense bonds to the full limit of their capacity. If they are allowed to make more money, you may rest assured they will buy more bonds, because there is a stake of life and death. This country belongs to the common man and the common man loves liberty and democracy. He will sacrifice, labor, and sweat and, if necessary, give up his life and the lives of his sons for the protection of those things that we hold so dear.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, when this bill went to the Senate it carried a provision, and wisely so, repealing two laws which required the Army and the Navy to report to the Congress of the United States in detail in reference to all contracts involving more than \$10,000. That provision was added to an appro-

priation bill last August, before we were at war. I referred to that some time ago and showed that it would take thousands of employees and hundreds of officers to comply with that request. The Senate refused to accept the House provision. I know the conditions that exist in the Senate with reference to this matter. The Senate put in a provision in lieu of the House language calling for reports on all contracts over \$50,000 and placed new language in the bill that would require a detailed report, which also would have taken thousands of employees and hundreds of officers. The best the House could get in this compromise was with reference to contracts over \$150,000, and the language of the Senate was modified so as to not to require so much information. That was excellent as far as it goes.

This is no time to ask the War Department and the Navy Department to file reports with the Congress. We can get reports on any contract that we want by the asking. Why should we make the Army and Navy go into detail with reference to all contracts over \$150,000? I know what I am talking about when I tell you there are 250,000 such contracts in the War Department and over 100,000 such contracts in the Navy Department. The report in the original law called for the information by June 30. How are they going to comply with such a provision at this time? They are not going to do so. If I were occupying the place of the Army and Navy officers, regardless of the provision, I would spend my time fighting this war rather than making reports to the Congress of the United States of this character. Fight the war first and make reports after is my motto.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 4: Page 3, line 9, strike out "\$325,113,462" and insert "including the pay of members of the Army Specialist Corps, \$327,331,562: *Provided*, That members of that corps who are assigned to the supply services of the Army may be paid from the appropriations for the work upon which they are engaged: *Provided further*, That no part of this appropriation shall be available to pay the salary of any member of that corps unless such member is appointed by the President, by and with the advice and consent of the Senate."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by such amendment, insert "including the pay of members of the Army Specialist Corps appointed subject to the approval of the War Department Personnel Board, \$327,331,562: *Provided*, That members of such corps who are assigned to the supply services of the Army may be paid from the appropriations for the work upon which they are engaged: *Provided further*, That no part of this appropriation shall be available to pay the salary

of any member of such corps at a rate in excess of \$4,500 per annum unless such member is appointed by the President, by and with the advice and consent of the Senate."

The SPEAKER. The question is on the motion of the gentleman from Missouri [Mr. CANNON].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 11: Page 5, line 13, strike out "\$419,478,462" and insert "\$421,696,562".

Mr. CANNON of Missouri. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 21: Page 13, line 13, insert: "Public Works, Bureau of Yards and Docks: For public works and public utilities, Bureau of Yards and Docks, including the acquisition of necessary land, \$800,000,000, which, together with the unexpended balances of appropriations heretofore made under this head, shall be finally accounted for as one fund, which fund shall be available for continuing or completing the construction of any project heretofore authorized or undertaken thereunder, for acquisition or construction of temporary or emergency buildings and facilities at localities within or without the United States, needed by the Navy and specifically approved by the Secretary of the Navy, including collateral public works items and other expenses: *Provided*, That contracts for work under this appropriation may be entered into without regard to the provisions of section 3709, Revised Statutes.

"No part of the appropriations in this act under the Navy Department shall be expended for a permanent type of construction at any shore establishment of any character acquired subsequently to the calendar year 1938, unless such establishment shall be designated by the Secretary of the Navy as a permanent establishment, and, in that event, a permanent type of construction shall be used only to meet such permanent requirements as the Secretary of the Navy may approve: *Provided*, That nothing herein shall prevent construction of a type sufficiently substantial for the use intended nor apply to construction projects now under contract or in progress: *Provided further*, That no part of such appropriations may be obligated for the construction of quarters, including heating and plumbing apparatus, wiring and fixtures, for greater amounts per unit than follow:

"Permanent construction:

"For commissioned officer, \$10,000.

"For commissioned warrant or warrant officer, \$7,500.

"For enlisted man, \$6,000.

"Temporary construction:

"For commissioned officer, \$7,500.

"For commissioned warrant or warrant officer, \$5,000.

"For enlisted man, \$3,500.

"The fixed fee to be paid the contractor as a result of any contract hereafter entered into under this appropriation shall not exceed 6 percent of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of the Navy."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate Numbered 21, and agree to the same with an amendment, as follows:

At the end of the first paragraph of the matter inserted by such amendment, insert the following before the period ": *Provided*



further, That the approximate costs of classes of projects under such sum of \$800,000,000 shall be as follows: Fleet facilities, \$4,000,000; aviation facilities, \$168,780,000; lighter-than-air program, \$25,000,000; storage facilities, \$119,000,000; liquid-fuel storage, \$100,000,000; Marine Corps training facilities, \$20,000,000; Ordnance storage facilities, \$150,000,000; personnel training and housing facilities, \$100,000,000; hospital and dispensary facilities, \$40,500,000; shore radio facilities, \$11,000,000; Naval Research Laboratory, \$720,000; miscellaneous structures, \$25,000,000; floating dry dock program, \$36,000,000: *Provided further*, That the approximate cost indicated for each such class may, in the discretion of the Secretary of the Navy, be varied upward or downward, but the total cost shall not exceed \$800,000,000."

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that amendments numbered 22 and 24 be considered as one amendment.

The SPEAKER. Without objection, it is so ordered and the Clerk will report the amendments.

There was no objection, and the Clerk read as follows:

Amendment No. 22: Page 15, line 25, insert a colon after the figures, and the following proviso "*Provided*, That the appropriations under this heading for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to marines given discharges for bad conduct, undesirability, unfitness, or inaptitude."

Amendment No. 24: Page 17, after line 8, insert:

"Appropriations under the Coast Guard for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to members of the Coast Guard given discharges for bad conduct, undesirability, unfitness, or inaptitude."

Mr. CANNON of Missouri. Mr. Speaker, I move to recede and concur in Senate amendments 22 and 24.

The motion was agreed to.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that amendments numbered 25 and 26 be considered simultaneously.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Amendment No. 25: Page 18, line 14, insert:

"Sec. 202. The appropriations of the Navy Department for the fiscal years 1942 and 1943 shall be available to carry out the provisions of Executive Order No. 9112 of March 26, 1942."

Amendment No. 26: page 18, line 19, strike out "202" and insert "203."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in Senate amendments 25 and 26.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 30: page 20, line 14:

"EXECUTIVE OFFICE OF THE PRESIDENT

"BUREAU OF THE BUDGET

"The salary of the Assistant Director of the Bureau of the Budget shall be at the rate of \$10,000 per annum after the date of the enactment of this act."

Mr. CANNON of Missouri. Mr. Speaker, I move to recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 32: page 26, line 15:

"NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

"For an additional amount for the fiscal year 1942, to remain available until expended, for continuing construction and equipment of the Aircraft Engine Research Laboratory at Cleveland, Ohio, \$3,500,000: *Provided*, That the limitation of \$13,300,000 upon the total cost of construction and equipment of said Aircraft Engine Research Laboratory is hereby increased to \$18,171,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 33, page 26, line 23:

"SELECTIVE SERVICE SYSTEM

"For an additional amount for the operation and maintenance of the Selective Service System for the fiscal year 1942, including the objects specified for the appropriation under this head in the Independent Offices Appropriation Act, 1942, \$3,770,000, which amount, together with the said appropriation and \$3,500,000 of the unobligated balance of the appropriation under this head in the Third Supplemental National Defense Appropriation Act, 1941, shall be consolidated and constitute one fund: *Provided*, That from the date of the approval of this act to June 30, 1943, the Director of Selective Service, in prescribing per diem rates of allowance, not exceeding \$6, in lieu of subsistence for officers of the Army, Navy, and Marine Corps, and of the reserve components thereof, traveling on official business and away from their designated posts of duty, pursuant to the first paragraph of section 12 of the act approved June 10, 1922 (42 Stat. 631), as amended, is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to such officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 33 and agree to the same.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 45: Page 29, line 20:

"Collection and disposal of refuse, expenses: For an additional amount to enable the Commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, etc., fiscal year 1942, including the objects and subject to the conditions specified under this head in the District of Columbia Appropriation Act, 1942, \$40,000."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows:

Insert the following paragraph after the matter inserted by such amendment:

"POLICEMEN AND FIREMEN'S RELIEF

"For an additional amount for the fiscal year 1942 to pay the policemen and firemen's relief and other allowances as authorized by law, \$60,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 68: Page 36, line 21, strike out "\$1,940,000" and insert "\$6,020,000."

Mr. CANNON of Missouri. I move that the House insist on its disagreement to the Senate amendment No. 68.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 74: Page 47, line 12, strike out all of lines 12 to 19 inclusive and insert in lieu thereof the following:

"SEC. 403. (a) For the purposes of this section, the term 'Department' means the War Department, the Navy Department, and the Maritime Commission, respectively; and, in the case of the Maritime Commission, the term 'Secretary' means the Chairman of such Commission; and the term 'renegotiate' and 'renegotiation' include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d) and (e) of this section, the term 'contract' includes a subcontract and the term 'contractor' includes a subcontractor.

"(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period when the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is deemed by the Secretary to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period when the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is deemed by the Secretary to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

"(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department, (1) to require the



contractor to renegotiate the contract price, (2) to withhold from the contractor any amount of the contract price which is deemed by the Secretary to represent excessive profits, and (3) in case any amount of the contract price deemed by the Secretary to represent excessive profits shall have been paid to the contractor, to recover such amount from such contractor. Such contractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. After the expiration of this section no suit or action may be maintained in any court to recover from the United States any amount withheld from a contractor pursuant to the provisions of this subsection. This subsection shall be applicable to all contracts hereafter made and to all contracts heretofore made, whether or not such contracts contain a renegotiation or recapture clause, provided (in the case of contracts heretofore made) that final payment pursuant to such contract has not been made prior to the date of enactment of this act.

"(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any other costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any other excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable. Each such Secretary may, whenever he deems it appropriate or in the interest of economy or the avoidance of duplication of inspection and audit, request the services of the Bureau of Internal Revenue for the purposes of making examinations and determinations with respect to profits under this section, and the Bureau of Internal Revenue shall make such services available for such purposes.

"(e) In addition to the powers conferred by existing law, the Secretary of each department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount of \$500,000 or more, statements of actual costs of production and such other financial statements, at such times and in such form and detail as such Secretary may require. Such statements shall be made under oath, except for such interim reports as may be required by the Secretary. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than 2 years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor.

"(f) The authority and discretion herein conferred upon the Secretary of each Depart-

ment, in accordance with regulations prescribed by the President for the protection of the interests of the Government, may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

"(g) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

"(h) This section shall remain in force during the continuance of the present war and for 3 years after the termination of the war."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 74 and agree to the same with an amendment, as follows:

In lieu of the matter inserted by such amendment, insert the following:

"Sec. 403. (a) For the purposes of this section, the term 'Department' means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term 'Secretary' means the Chairman of such Commission; and the terms 'renegotiate' and 'renegotiation' include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d) and (e) of this section, the term 'contract' includes a subcontract and the term 'contractor' includes a subcontractor.

"(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period or periods, when, in the judgment of the Secretary, the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is found as a result of such renegotiation to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is found as a result of such renegotiation, to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

"(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department or from any subcontract thereunder, (1) to require the contractor or subcontractor to renegotiate the contract price, (2) to withhold from the contractor or subcontractor any amount of the contract price which is found as a result of such renegotiation to represent excessive profits, and (3) in case any amount of the contract price found as a result of such renegotiation to represent excessive profits shall have been paid to the contractor or subcon-

tractor, to recover such amount from such contractor or subcontractor. Such contractor or subcontractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor or subcontractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. This subsection shall be applicable to all contracts and subcontracts hereafter made and to all contracts and subcontracts heretofore made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause, provided that final payment pursuant to such contract or subcontract has not been made prior to the date of enactment of this act.

"(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of each such Secretary and the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purposes of making examinations and determinations with respect to profits under this section.

"(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount in excess of \$100,000, statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than 2 years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor, or by such Secretary as may be mutually agreed to by the Secretaries concerned.

"(f) The authority and discretion herein conferred upon the Secretary of each Department, in accordance with regulations prescribed by the President for the protection of the interests of the Government, may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.



"(g) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

"(h) This section shall remain in force during the continuance of the present war and for 3 years after the termination of the war, but no court proceedings brought under this section shall abate by reason of the termination of the provisions of this section."

Mr. Speaker, I ask to be notified when I have consumed 5 minutes.

The SPEAKER pro tempore (Mr. PATMAN). The Chair will notify the gentleman.

Mr. CANNON of Missouri. Mr. Speaker, this provision proposes to limit profits on war contracts.

In every war there have been men who made an unconscionable profit out of the national misfortune. Such circumstances have been so prevalent throughout modern warfare as to become axiomatic. With that in view, there has been a general understanding from the beginning that no one shall make undue profits out of the sacrifices which every citizen is required to make to win this war. There has been in effect a common determination that there should be no fattening of multimillionaires on exorbitant profits coined out of the blood of American soldiers.

There has naturally been a good deal of difference of opinion as to how this should be effected. The problem presents many difficulties. As a matter of fact the consensus of opinion has favored taxation of corporate profits and especially of excess profits rather than the method here presented. But the formulation of legislation for that purpose requires study, and in the meantime the committee, in response to widespread sentiment, submits this formula as a stopgap to serve the purpose, pending consideration by the legislative committees.

The pending amendment provides a method under which the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission may, where they deem it advisable, renegotiate contracts in which they think there have been excessive profits. If, after their study, they determine there has been an unreasonable profit, they may recapture the amount in excess, this amount to be either retained before payment to the contractor or to be recaptured and covered back into the National Treasury.

In brief outline the pending amendment:

First. Is applicable to War Department, Navy Department, and Maritime Commission contracts and subcontracts.

Second. Authorizes and directs to be inserted in each contract and subcontract hereafter made for an amount in excess of \$100,000:

(a) Provision for renegotiation of the contract price—which includes the refixing of the contract price by the department head—at times when the profits can be determined with reasonable certainty.

(b) Provision for retention by or repayment to the United States of an amount of the contract price found as a result of renegotiation to represent excess profits.

Third. Authorizes and directs the head of each department concerned, whenever he finds excess profits have been or are likely to be realized, on any contract or subcontract, of whatever amount heretofore or hereafter made, if the final payment thereon has not been made before the date of approval of this act:

(a) To require the renegotiation of the contract price, which includes the refixing of the price by the head of the department concerned.

(b) To withhold any amount which is found as a result of the renegotiation to represent excessive profits.

(c) To recover any amount paid to the contractor or subcontractor which is found as a result of the renegotiation to represent excessive profits and authorizes appropriate court action if necessary to make the recovery.

Fourth. Heads of departments concerned are directed in renegotiating the contract price or determining excessive profits not to make any allowances for salaries, bonuses, or other compensation in excess of a reasonable amount nor make any allowance for reserves or for any costs for any amount which is excessive or unreasonable.

Fifth. Adequate provision is made for access to the books and records of contractors and subcontractors for purposes of audit and inspection and for the furnishing by them to the heads of the departments concerned of production costs and other financial statement as may be required. Also, provision is made for the use of the experts of the Bureau of Internal Revenue, by agreement between the department concerned and the Secretary of the Treasury, in the making of examinations, audits, and so forth.

Sixth. The law remains in force for a period of 3 years following the closing of the war, but the expiration date of the law shall not affect or abate any suit pending on the expiration date.

Mr. TARVER. Mr. Speaker, will the gentleman yield for an inquiry?

Mr. CANNON of Missouri. I yield to the gentleman from Georgia.

Mr. TARVER. Does the language of the amendment the gentleman suggests and which he is asking the House to adopt lay down any yardstick for use by the Secretaries in determining what are or are not excessive profits?

Mr. CANNON of Missouri. It leaves it for him alone to determine what is a fair and reasonable profit and the formula by which he may elect to reach that determination.

Mr. TARVER. Why should not the Congress determine what is or is not a reasonable profit instead of delegating that authority to the Secretary?

Mr. CANNON of Missouri. That phase of the proposition, along with many others, was considered by the conferees, but due to the wide variation in amounts involved, from 15 cents to \$15,000,000, and in subject matter ranging from contracts for the purchase of a carload of eggs to the manufacture of a four-

engine bomber, it was a practical impossibility to adopt any such standard as the gentleman suggests.

May I also say that it was the testimony of the witnesses for the Department who appeared before us that this legislation is not particularly necessary at this time for the reason that they have established in the War Department a Cost Analysis Section and a Price Control Board which have already carried out precisely the functions which this amendment authorizes. They are already voluntarily renegotiating these contracts and securing readjustments and are recapturing excess payments and covering them back into the Treasury. They have renegotiated many contracts, and in no instance has there been any objection on the part of any contractor to renegotiation or readjustment of contract, and already there has been paid back into the Treasury in excess of \$95,000,000.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I will take 5 additional minutes.

Mr. Speaker, a notable instance of this was the case of the Continental Motors Co., which, after the contract had proceeded sufficiently to indicate the nature and extent of the profits, voluntarily came in and in a brief 3-hour conference agreed to relinquish some \$40,000,000 of its profits. Such instances not only reflect credit on the officials of the Government but on the fine spirit of cooperation on the part of the contractors.

As a matter of fact, much that is said and written on this subject is patently unjust to the great body of contractors who are so effectively carrying out our war program. The impression that the average contractor is animated by a desire to profit at the expense of the Government, to exact every dollar that they can secure for the services rendered is unwarranted and unjustified by the facts. The testimony before us was that such cases are exceptions to the rule, and most instances of excessive profit as have occurred were found to be not intentional but due to the inability of officials and executives to determine an accurate basis on which to predicate an equitable agreement.

It is difficult to estimate costs and profits of this character in advance. Corporations are called upon to fabricate products never made before. They involve new construction, new labor and industrial conditions, and new material markets fluctuating under unpredictable war influences. As a result some contracts brought in large profits, while others brought bankruptcy. In other words, until schedules can be established by experience, all war contracts must be tentative, all procedure experimental, and all profits contingent.

But time is the essence. We can appropriate dollars but we cannot appropriate time. The enemy is at our gates. The first need has been to get production started. The usual system of awarding on bids is no longer workable. Hence agreements must be entered into which unwittingly may be unfair to either the Government or the contractor.



The only method of meeting the situation is to make the contracts and then, when by a system of trial and error, we have determined the basis on which reasonable profits may be figured, renegotiate as the War Department has been doing so successfully up to this time. That is the plan which we here propose to legalize with the expectation that it will be continued until the proper legislative committees of the House have had an opportunity to devise plans by which, through taxation, we can recover unreasonable profits regardless of the nature of the contract or the character of the subject matter.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. VOORHIS of California. Does the gentleman feel that probably the most effective thing that could be done, and certainly the next step that should be taken, is the passage of a most effective excess-profits-tax law?

Mr. CANNON of Missouri. Unquestionably. The excess-profits tax is the fairest tax that can be devised. It does not become effective until the contractor begins to profiteer. It taxes only those able to pay and in exact proportion to their ability to pay. It protects the Government and the people from exploitation and at the same time provides needed revenue.

I yield to the gentleman from South Dakota [Mr. CASE], the author of the amendment which initiated this legislation.

Mr. CASE of South Dakota. I appreciate the explanation of the chairman of the Appropriations Committee. It is true this legalizes what the Department has been seeking to do in many cases. Is it not also true that the language of the amendment requires pursuance of this method?

Mr. CANNON of Missouri. The language in this case is mandatory. It requires the Secretary to do what he is already doing voluntarily; it requires the contractor to come in under process of law and renegotiate, as he is already renegotiating voluntarily; and it provides for the mandatory recapture of any excess profits in the manner already being effected. Of course, the only way to be certain that the remedy is enforced equally and on all occasions is to make it mandatory as the gentleman indicates.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. VINSON], whose committee is now conducting a detailed study of this problem.

Mr. VINSON of Georgia. Mr. Speaker, the House should understand in the very first instance that this is not a profit-limitation proposal that is brought here for our consideration. It is nothing more than what is known as renegotiation of contracts.

Mr. Speaker, it is unfortunate from the standpoint of effective legislative consideration that we find on an important and urgent war appropriation bill an attempt to deal with the highly technical and complicated question of the renegotiation

of contracts and the recapture and repayment of excessive war profits. I have always been opposed, and still am, to the attachment of important legislation to appropriation bills. It is a bad practice, which interferes with the orderly and timely passage of the bills, invades the jurisdiction of the legislative committees, and results frequently in hasty, ill-digested, and ineffective legislation.

This bill contains appropriations urgently needed for the Military Establishment in excess of \$17,000,000,000; it carries sums in excess of \$1,600,000,000 for the Naval Establishment, and minor amounts for other agencies engaged in vital work supplemental to the war effort. While profit control is imperative, our first consideration is to fight this war and to procure the ships, planes, tanks, ammunition, and other equipment and supplies for our fighting forces without delay. We must not fail in that objective even at the sacrifice of cost. This bill is a factor in that problem of expeditious procurement of important war supplies and equipment.

The House itself started this legislation by adopting a profit limitation which I think everyone will agree is unworkable, and if left in the bill would probably have more harmful results than good. I say that in deference to the sincerity of the distinguished gentleman from South Dakota. The Senate struck out the House limitation and inserted a provision seeking to deal with excess profits through renegotiation of contracts. This provision was defective in that it also sought to deal with the problem of excessive profits on a contract basis without regard to the contractors' net profits for the year. It also was unacceptable in that it delegated to the various department heads the absolute and unlimited authority to determine what constituted excessive profits, without providing any standards for the assurance of the contractor and the guidance of the department head.

The conferees are bringing before the House a substitute which amends the Senate provision and leaves the question of excessive profits to be determined entirely by mutual agreement of the contractor and the department concerned through renegotiation of the contract. This is no more nor no less than a restatement of existing departmental practice. Each department head now has the right and considerable authority to require a renegotiation of any contract on which he believes the contractor is receiving excessive profits. As a matter of fact, since investigation into the question of war profits was begun by the Naval Affairs Committee there has been saved to the Navy Department, as a result of voluntary renegotiation of naval contracts alone, over \$50,000,000.

Indirect savings through lower prices on new contracts entered into by the War and Navy Departments have been estimated at over \$200,000,000 additional. The provision recommended by the conferees is definitely not an answer to the problem of exorbitant profits on war contracts. It may be of some help to the departments in their campaign for vol-

untary refunding of excessive profits by the contractor, but it will go no further than that.

The Naval Affairs Committee has given a great deal of study to the question of excessive war profits. It now has under consideration a bill which I feel deals more adequately, effectively, and comprehensively with this subject of war profits. These hearings have established that any plan for the recapture of excessive profits on war contracts, first, must contain ample authority to reach excessive profits of uncooperative contractors; second, must establish fair and reasonable standards for the assurance of the contractor and the guidance of the department head; third, must provide uniformity of treatment for all persons under substantially the same circumstances; and, fourth, must allow a fair return to the contractor on an annual basis.

None of the proposals before the House today meet these requirements. The amendment proposed by the conferees, if adopted, will result in the least confusion until such time as an adequate and considered proposal can be brought before the House.

The American people want some action on this question, but I am sure that they want that legislation to be more intelligently and effectively considered than it can be when hurriedly considered in connection with an appropriation bill.

The amendment presented here today can go through. It may do some good. I would not say that it will not be helpful, but it does not solve the problem. It can be amended or repealed when the House comes to deal with the subject in a truly comprehensive fashion. In the meantime this important bill can proceed on its vital mission of furnishing the funds to secure the prompt procurement of much needed military and naval facilities and supplies.

I am therefore supporting the motion of the chairman of the conference committee to agree to the Senate amendment with an amendment, recognizing full well that the substitute proposed by the conference committee is not a true profits limitation and will not recapture for the Treasury one penny of exorbitant war profits which cannot now be recovered under existing departmental practice, but also recognizing the urgent need for the money which this bill appropriates. I hope that in the near future this House will be given an opportunity to consider legislation which will meet this problem fairly and squarely.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Georgia.

Mr. TARVER. If the gentleman's statement is correct—and I may say I am in full accord with him—then why should the House go through the futile motion of adopting this amendment? Why not reject the whole thing rather than have the people of the country believe we are undertaking to legislate on this question, when we are, in fact, not accomplishing anything?

Mr. VINSON of Georgia. That is a very practical question. Here is an ap-







There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 13, 1942.

HON. JAMES J. DAVIS,

*United States Senate, Washington, D. C.*

MY DEAR SENATOR: The other day, in going through some old files, I ran across a very interesting letter from you, a photostat of which is enclosed.

There would be no war if your advice of 15 years ago were heeded.

Yours sincerely,

WALT CLYDE.

DEPARTMENT OF LABOR,

OFFICE OF THE SECRETARY,

*Washington, November 9, 1927.*

WALT CLYDE,

*Managing Director, the Aviationist,  
Detroit, Mich.*

DEAR MR. CLYDE: It is a pleasure to reply to your letter of November 7, asking for my views on aviation, because it is a subject in which I am vitally interested. I have traveled a great deal by air, and I am strong for anything that will aid in the development of aviation. I firmly believe it has a great future and that the day is not far distant when the airplane will be as common amongst us as the automobile is today.

About a hundred years ago an intellectual German said that all the great ages had been ages of creative faith. As far as mechanics is concerned, we have been living, and are still living, in such an age. We are not startled by any new discoveries. What would surprise us would be to find that several years had gone by without a new discovery being made.

The airplane is our latest great invention, and as yet it is only in its infancy. It is the most wonderful of infants, the liveliest and daring ever known; but when the airplane comes of age it will have many surprises in store for us. We don't know what it is destined to accomplish; we are only certain its accomplishments are destined to be wonderful.

It was a Briton who invented the steam engine, another Briton who invented the locomotive, and still other Britons who invented the great machines which have revolutionized the industrial world. But the invention of the airplane belongs to us, and its perfection will also doubtless belong to us.

The nation which owns the air in the future will be able to conquer the world. One of America's most distinguished naval officers and historians wrote several interesting and beautiful volumes on the influence of sea power on history. But there can be no question that when aerial navigation is perfected, the warships of the world are doomed.

It is my hope that war is doomed, because no good comes, nor can come, from it today. All conquests in the future should be peaceful ones, but peaceful conquests involve as much energy as a conquest which issues from the thunder of guns. The airplane should be one of the instruments of such a conquest. It is the last word in speed. Evidently the last word in mechanics has not been spoken, and let us hope it never will be. We don't know what the future has in store for us. Up to about 400 years ago few, if any, believed in progress. It was the discovery of America that put the idea of progress into men's minds, and it was the invention of one great machine after another that made the idea stick. The invention of the airplane has shaken all the doubt out of us. We are beginning to perceive that the most daring dream is not, as was formerly thought, a perishable, intellectual monument to human folly, but an earnest of future achievement. We live and learn; we dream and achieve. Aviation has had a brilliant past, but I predict for it a more glorious future.

Most cordially yours,

JAMES J. DAVIS,

#### ADDRESS BY THE VICE PRESIDENT TO GRADUATES OF OFFICER CANDIDATE SCHOOL AT ABERDEEN, MD.

[Mr. BROWN asked and obtained leave to have printed in the RECORD the address delivered by the Vice President at the graduation exercises of the Officer Candidate School at Aberdeen, Md., on Saturday, April 18, 1942, which appears in the Appendix.]

#### REPRESENTATIVE GOVERNMENT—

##### ADDRESS BY SENATOR BYRD

[Mr. BYRD asked and obtained leave to have printed in the RECORD a speech delivered by him in Baltimore, Md., on April 10, 1942, before the Maryland Committee for Representative Government, which appears in the Appendix.]

#### THE WAVE OF THE FUTURE—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "The Wave of the Future—Emancipation," delivered by him before the Business and Professional Women's Club at Milwaukee, Wis., on April 14, 1942, which appears in the Appendix.]

#### TODAY'S CRISIS—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a radio address entitled "Today's Crisis," delivered by him in Milwaukee, Wis., on April 14, 1942, which appears in the Appendix.]

#### JEFFERSON DAY ADDRESS BY HON. JAMES A. FARLEY

[Mr. BARKLEY, on behalf of Mr. WAGNER, asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley at the Jefferson Day dinner of the National Democratic Club, Saturday, April 11, 1942, which appears in the Appendix.]

#### ADDRESS BY GOVERNOR GRISWOLD, OF NEBRASKA, BEFORE KANSAS YOUNG REPUBLICAN CLUB

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address delivered by Gov. Dwight Griswold, of Nebraska, at the State convention of the Kansas Young Republican Club at Wichita, Kans., April 11, 1942, which will appear hereafter in the Appendix.]

#### WHAT PRICE VICTORY?—INTERVIEW OF SENATOR WAGNER BY THEODORE GRANIK

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD a radio interview of Senator WAGNER by Theodore Granik on April 17, 1942, on the subject What Price Victory? which appears in the Appendix.]

#### WHAT PRICE VICTORY?—DIALOG BETWEEN L. METCALF WALLING AND THEODORE GRANIK

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a dialog on the subject What Price Victory? between L. Metcalf Walling and Theodore Granik, broadcast over the Mutual Broadcasting System on April 10, 1942, which appears in the Appendix.]

#### WARTIME SITUATION—ADDRESS BY ALBERT L. WARNER

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a radio address on the wartime situation, delivered on April 10, 1942, by Albert L. Warner, Columbia Broadcasting System news analyst, which appears in the Appendix.]

#### DISPELLING THE FOG—ARTICLE BY CHARLES MICHELSON

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article en-

titled "Dispelling the Fog," by Charles Michelson, director of publicity, Democratic National Committee, which appears in the Appendix.]

#### ADDRESS BY HON. HARRY SLATTERY BEFORE ST. LOUIS CHAMBER OF COMMERCE

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an address delivered by Hon. Harry Slattery, Administrator of the Rural Electrification Administration, at a luncheon of the Chamber of Commerce Members' Assembly at St. Louis, Mo., on April 6, 1942, which appears in the Appendix.]

#### A CREDO OF FAITH AND AN AMERICAN DECLARATION OF INTERDEPENDENCE—ADDRESS BY DR. ARCHIBALD HENDERSON

[Mr. BAILEY asked and obtained leave to have printed in the RECORD two documents, entitled "A Credo of Faith" and "An American Declaration of Interdependence," read by Dr. Archibald Henderson, of the University of North Carolina, at the conclusion of an address delivered by him on March 10, 1942, at the Town Hall, New York City, which appear in the Appendix.]

#### UNITY AND VICTORY—EDITORIAL FROM WINSTON-SALEM JOURNAL

[Mr. BAILEY asked and obtained leave to have printed in the RECORD an editorial from the Winston-Salem Journal of February 23, 1942, entitled "Unity and Victory," which appears in the Appendix.]

#### REPUBLICAN POLICY

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD an editorial from the Chicago Daily Tribune of April 22, 1942, relating to the recent meeting of the Republican National Committee, which appears in the Appendix.]

#### AN OLD ATTACK RENEWED—EDITORIAL FROM NEW ORLEANS TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial published in the New Orleans Times-Picayune of April 10, 1942, entitled "An Old Attack Renewed," which appears in the Appendix.]

#### SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATIONS—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit the conference report on House bill 6868.

The PRESIDENT pro tempore. The conference report will be read.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 34, 66, 69, and 71.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 7, 8, 9, 10, 12, 14, 16, 17, 18, 19, 20, 23, 27, 28, 29, 31, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 77, and 78; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In line 13 of the matter inserted by said amendment, after the word "appropriations", insert "and for carrying out the provisions of



Executive Order Numbered 9112 of March 26, 1942"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$777,-912,000, which shall be available for the direct charter of vessels in emergency situations"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,333,-725,277"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$20,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$5,000,-000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,750,-000"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$812,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$113,250"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: Amend the matter inserted by said amendment as follows: In line 11 strike out the sum "\$50,000" and insert in lieu thereof "\$150,000", and in line 14 strike out the word "summary" and insert in lieu thereof the word "statement"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4, 11, 21, 22, 24, 25, 26, 30, 32, 33, 45, 68, 74, 75, 76, 79, and 80.

KENNETH McKELLAR,  
CARL HAYDEN,  
MILLARD E. TYDINGS,  
ELMER THOMAS,  
JOSEPH C. O'MAHONEY,  
J. H. BANKHEAD,  
GERALD P. NYE,  
RUFUS C. HOLMAN,  
C. WAYLAND BROOKS,

*Managers on the part of the Senate.*

CLARENCE CANNON,  
C. A. WOODRUM,  
LOUIS LUDLOW,  
J. BUELL SNYDER,  
EMMET O'NEAL,  
JOSEPH E. CASEY,  
R. B. WIGGLESWORTH,  
W. P. LAMBERTSON,  
J. W. DITTER,  
ALBERT J. ENGEL,

*Managers on the part of the House.*

Mr. McKELLAR. Mr. President, I see no reason why we should not at this time consider the conference report if it is agreeable to the two leaders and to other Senators.

Mr. McNARY. Mr. President, of course, the able Senator has a right under

the rule to proceed with the consideration of the report, and, so far as I know, this is a very appropriate time to do so.

Mr. BARKLEY. I think the Senator from Tennessee ought to proceed with the report.

Mr. McKELLAR. The House has agreed to the conference report. I am willing to answer any questions that may be asked, or, if the Senate should prefer, I shall be glad to make a statement in regard to the report.

Mr. McNARY. I quite agree with the views of the able Senator from Tennessee and our very able leader that we should consider the conference report. When the bill was before us some time ago, the particular item of controversy was the limitation of profits. I think the able Senator from Tennessee should detail what occurred as a result of the conference and what is now in the bill covering that very important point.

The PRESIDENT pro tempore. The Chair is informed that that provision is not embraced in the conference report but will be acted upon separately.

Mr. McKELLAR. It does not appear in the conference report itself, but the House had to pass on it.

Mr. McNARY. May I ask if this is a complete report?

Mr. McKELLAR. Oh, yes; it is a complete report. The House has agreed to it, and it now comes to the Senate for its approval. I shall be glad to explain it.

Mr. BARKLEY. As I understand, the House agreed to the amendment adopted by the Senate so that that part of the bill is settled?

Mr. McKELLAR. That is settled.

Mr. BARKLEY. Is there any further action to be taken upon it?

Mr. McKELLAR. The Senate has to take action upon it.

Mr. BARKLEY. It was our amendment. Was any change made in it; did the House amend it?

Mr. McKELLAR. The House amended it. The Senate has to agree to the amendment of the House to the amendment of the Senate, and the Senate probably wants information concerning it.

The PRESIDENT pro tempore. Let the report come before the Senate properly, and it may then be considered. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the House which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,

April 21, 1942.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 11, 22, 24, 25, 26, 30, 32, 33, 75, 76, and 80 to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 4 to said bill and concur therein with

an amendment, as follows: In lieu of the matter inserted by said amendment insert: "Including the pay of members of the Army Specialist Corps appointed subject to the approval of the War Department Personnel Board, \$327,331,562: *Provided*, That members of such corps who are assigned to the supply services of the Army may be paid from the appropriations for the work upon which they are engaged: *Provided further*, That no part of this appropriation shall be available to pay the salary of any member of such corps at a rate in excess of \$4,500 per annum unless such member is appointed by the President, by and with the advice and consent of the Senate."

That the House recede from its disagreement to the amendment of the Senate numbered 21 to said bill and concur therein with an amendment as follows: At the end of the first paragraph of the matter inserted by said amendment insert the following before the period: "*Provided, further*, That the approximate costs of classes of projects under such sum of \$800,000,000 shall be as follows: Fleet facilities, \$4,000,000; aviation facilities, \$168,780,000; lighter-than-air program, \$25,-000,000; storage facilities, \$119,000,000; liquid-fuel storage, \$100,000,000; Marine Corps training facilities, \$20,000,000; Ordnance storage facilities, \$150,000,000; personnel training and housing facilities, \$100,000,000; hospital and dispensary facilities, \$40,500,000; shore radio facilities, \$11,000,000; Naval Research Laboratory, \$720,000; miscellaneous structures, \$25,000,000; floating drydock program, \$36,000,000: *Provided further*, That the approximate cost indicated for each such class may, in the discretion of the Secretary of the Navy, be varied upward or downward, but the total cost shall not exceed \$800,-000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 45 to said bill and concur therein with an amendment as follows: After the matter inserted by said amendment insert:

#### "POLICEMEN AND FIREMEN'S RELIEF

"For an additional amount for the fiscal year 1942 to pay the policemen and firemen's relief and other allowances as authorized by law, \$60,000."

That the House recede from its disagreement to the amendment of the Senate numbered 74 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"Sec. 403. (a) For the purposes of this section, the term 'Department' means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term 'Secretary' means the Chairman of such Commission; and the terms 'renegotiate' and 'renegotiation' include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d) and (e) of this section, the term 'contract' includes a subcontract and the term 'contractor' includes a subcontractor.

"(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period or periods, when, in the judgment of the Secretary, the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is found as a result of such renegotiation to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract



for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is found as a result of such renegotiation, to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

"(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department or from any subcontract thereunder, (1) to require the contractor or subcontractor to renegotiate the contract price, (2) to withhold from the contractor or subcontractor any amount of the contract price which is found as a result of such renegotiation to represent excessive profits, and (3) in case any amount of the contract price found as a result of such renegotiation to represent excessive profits shall have been paid to the contractor or subcontractor, to recover such amount from such contractor or subcontractor. Such contractor or subcontractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor or subcontractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. This subsection shall be applicable to all contracts and subcontracts hereafter made and to all contracts and subcontracts heretofore made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause, provided that final payment pursuant to such contract or subcontract has not been made prior to the date of enactment of this act.

"(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive reserves have been or are being set up, or whether any excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of each such Secretary and the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purposes of making examinations and determinations with respect to profits under this section.

"(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this sec-

tion are applicable in an aggregate amount in excess of \$100,000, statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than 2 years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor, or by such Secretary as may be mutually agreed to by the Secretaries concerned.

"(f) The authority and discretion herein conferred upon the Secretary of each Department, in accordance with regulations prescribed by the President for the protection of the interests of the Government, may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

"(g) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

"(h) This section shall remain in force during the continuance of the present war and for 3 years after the termination of the war, but no court proceedings brought under this section shall abate by reason of the termination of the provisions of this section."

That the House recede from its disagreement to the amendment of the Senate numbered 79 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert: "Provided, That purchases of automobiles of the lightweight, low-priced class heretofore made by the War and Navy Departments at prices in excess of \$750 each but not in excess of those permitted by this section are hereby validated"; and

That the House insist upon its disagreement to the amendment of the Senate numbered 68 to said bill.

Mr. McKELLAR. Mr. President, the conference report involves a large appropriation, more than \$19,000,000,000, largely for aircraft and other implements of war.

An amendment was offered on the floor of the House of Representatives which reads as follows:

SEC. 402A. No part of any appropriation contained in this act shall be available to pay that portion of a contract for construction of any character and/or procurement of material and supplies for either the Military or naval establishments, designated as "final payment" to any contractor who fails to file with the procuring agency a certificate of costs and an agreement for renegotiation of contract and reimbursement of profits in excess of 6 percent.

Mr. President, that proposed limitation of profits was one of the most important discussed in the debates in the Senate, and one of the most important matters before the conference, and I am sure Senators are all interested in it. If it is satisfactory, I shall first discuss that provision, as requested by the Senator from Oregon.

When the bill came before the Senate it was urged by the departments affected, namely, the War Department, the Navy Department, and the Maritime Commission, that the House provision limiting profits was impractical and unenforceable, and would stop production. Of course, no one wanted to see production stopped. Under those circumstances, I asked the representatives of the three departments concerned if they would not go back to their offices and prepare an amendment dealing with the question of profits which would be workable, which would not prevent or retard production, and which would be satisfactory to the departments themselves.

Mr. President, I wish to say that I have never known of greater cooperation in the consideration of an important matter than that afforded by the representatives of the Army, the Navy, and the Maritime Commission, who were before us concerning this subject. They acted effectively and with expedition. Two or three days later, perhaps the next day, they got together and very carefully prepared an amendment which they thought would take the place of the provision for a limitation of profits which would be workable and which would not slow down production. The amendment in the conference report is substantially and really the amendment prepared by the representatives of these three departments, and I think I can say it has been very well prepared.

In substance the amendment provides that in dealing with contracts involving over \$100,000, whenever the head of a department believes that excessive profits have been earned by a contractor, the contract will be renegotiated, so far as the question of price is concerned. It goes further than that, however, and provides that from now on every contract shall contain a renegotiation clause, so that automatically it may be reconsidered at any time by the department concerned.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I shall yield in a moment. It is true that the amendment did not at first cover contracts already entered into, but they are included in the report. Some suggestion was made that as to contracts already in existence it would not be constitutional to make such provision. I do not think such a contention is tenable, but, in order to take care of that question, we added a provision later on that if any part of the act shall be held to be unconstitutional such holding shall not affect the remainder of the act. That provision is contained in the report.

Now, I yield to the Senator from Michigan.

Mr. VANDENBERG. In the process of renegotiation to which the Senator refers, what is the objective? Is there any criterion or yardstick?

Mr. McKELLAR. There is no yardstick except as to excessive costs. Let me read the amendment to the Senator. The first subdivision covers definitions, and it is not necessary that I read that. The second subdivision reads:



(b) The secretary of each department is authorized and directed to insert in any contract for an amount in excess of \$100,000 hereafter made by such Department (1) a provision for the renegotiation of the contract price at a period or periods when, in the judgment of the secretary, the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is found as a result of such renegotiation to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract—

This applies not only to contracts but to subcontracts—

as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such secretary and the subcontractor.

In other words, it is left to the Secretary of War, as to military contracts; the Secretary of the Navy as to naval contracts; or to the Maritime Commission as to maritime contracts—

Mr. VANDENBERG. To determine what is an excessive profit?

Mr. McKELLAR. To determine what is an excessive profit. The contention that there should be a percentage limitation was not agreed to, because it was believed by these three departments that if a general percentage reduction were established, it would slow down production.

We took a great deal of evidence, we had the representatives of the departments before us, and they acted with perfect candor, it seemed to me, and after hearing them all, and considering every phase of the question, the House conferees took the matter back, and the House voted on it. I believe that this provision relating to the renegotiation of contracts will save the Government enormous sums of money.

Mr. VANDENBERG. Will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. Does the conclusion of the Government department as to what is an excessive profit become binding on the contractor, or must there be an agreement between the department and the contractor?

Mr. McKELLAR. The contract has to be renegotiated, but it will be seen that the head of the department has a tremendous—

Mr. VANDENBERG. Leverage?

Mr. McKELLAR. Leverage; and I believe he will exercise it properly in all cases; indeed, I think it will mean the saving of tremendous sums.

Mr. VANDENBERG. I think it has already had that result, through the renegotiation of other contracts; but what I am trying to establish is the fact itself, and the fact is, as I understand, that the identification of an excessive profit will require the consent of the contractor.

Mr. McKELLAR. Of course.

Mr. OVERTON. Mr. President, will the Senator yield in that connection?

Mr. McKELLAR. In a moment I shall yield. I wish to answer the Senator from Michigan by saying that, while I cannot give names, since the provision was agreed to in the other House—and, of course, everyone knew it would be approved by the Senate, because the Senate had already adopted it—one contractor having two contracts with the Government, I am informed, has already agreed to pay back \$50,000,000. Under those circumstances, it seems to me that this provision may result in quite a large saving.

Mr. VANDENBERG. I agree with the Senator that there is great advantage in the provision the conferees have brought in, and that there will be substantial results flowing from it. All I am trying to say, in conclusion, is that it does not actually settle the war-profits question, however, and we still confront the necessity of finding a rational ceiling for wages, profits, prices, and everything else, if we are to avoid losing the economic war at home long before we win the military war abroad.

Mr. McKELLAR. I do not know that I go all the way with the Senator, but I will say to him that it was argued when the bill was before the Senate, as the Senator from Michigan will recall, that this provision would impinge upon the proposal to come up hereafter before the Committee on Finance in fixing taxes upon concerns engaged in war contracts. Instead of that being true, it seems to me that it will be absolutely necessary for the Committee on Finance to bring forward a bill providing for the very thing we suggest here. There is no conflict between us at all.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I promised to yield to the Senator from Louisiana. Then I shall yield to the Senator from Ohio.

Mr. OVERTON. I wish to ask the Senator from Tennessee whether the amendment adopted by the Senate armed the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission with the authority, in the renegotiation of a contract, to determine what excess profits there are, and whether it gave the United States Government the right to retain any excess profits found by these officers, or the right to sue for excess profits found to exist by the officers concerned?

Mr. McKELLAR. That is entirely true.

Mr. OVERTON. That is what the Senate amendment provided?

Mr. McKELLAR. That is entirely true.

Mr. OVERTON. The substitute amendment proposed by the conferees takes that authority from the Secretaries, denies the Federal Government the right to sue for any excess profits which the secretaries may find, and gives the Federal Government the right of recovery, either by retention or recapture of excess profits, only when the contractor himself agrees that there has been an excess profit. There must be a meeting of the minds. A contractor himself must admit, by signing a renegotiated price

agreement, that he has made excess profits, before the Federal Government has any right either of retention or of recovery.

Mr. McKELLAR. The Senator is correct. That amendment was made in the conference.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. I question the statement made by the Senator from Louisiana.

Mr. McKELLAR. He is in part correct, and in part not entirely correct, as I shall explain; but I yield to the Senator.

Mr. TAFT. I only wished to suggest that the words "to negotiate" are ambiguous. Ordinarily they would seem to imply that a renegotiation could not be reached unless both sides should agree. Section 403 (a) provides:

the terms "renegotiate" and "renegotiation" include the refixing by the Secretary of the Department of the contract price.

So it seems to me clear that this proposal is to give absolute power to the secretary to reopen any contract and to fix any price he sees fit to fix.

Mr. OVERTON. Mr. President, will the Senator further yield?

Mr. McKELLAR. Let me say a word, and then I will yield to the Senator.

The committee was convinced that the word "renegotiate" would imply such authority in the first place; but we sought to remove all doubt by putting in the definition of "renegotiation" the power to fix the contract price. So it seems to me that while there must be a negotiation in every case between the contractor and the Government, in the end the Government has the right to fix the amount of profit and to withhold excess profits. In my opinion the result is one of the most helpful measures which we could pass.

I now yield to the Senator from Louisiana.

Mr. OVERTON. I do not think there is any doubt whatsoever as to the construction placed by the conferees on the proposed substitute. As the Senator will recall, in the conference it was insisted that the authority of the Secretary to determine what excess profits existed should be taken away from him, and that no contractor should be made liable unless he himself agreed that there was an excess profit. So, in order to achieve that result, this one clause was inserted throughout the provisions of the substitute—

Mr. McKELLAR. From what section is the Senator reading?

Mr. OVERTON. It occurs throughout the section. It is provided that there shall be a provision in each contract for the retention by the United States or the repayment to the United States of—any amount of the contract price which is found as a result of such renegotiation to represent excessive profits.

That was substituted for the words: any amount of the contract price which is deemed by the Secretary to represent such excessive profits.



It was proposed in the conference that after the word "found" there should be inserted the words "by the Secretary." That proposed amendment to the substitute was rejected because it was the purpose of the conference that there should be no recovery on the part of the Federal Government unless the contractor himself agreed, in a contract of renegotiation, that excess profits had been obtained by him or were likely to be obtained.

Mr. McKELLAR. I distinctly remember that the Senator from Louisiana offered an amendment to insert the words "by the Secretary." In my judgment, those words were left out because they were immaterial. They would leave the contractor out entirely. He ought to be included. Provision was made to renegotiate and to refix the price according to the definition of "renegotiation"; and we felt that the practical effect of what we adopted would be to give the Secretary the right, in the end, to force his way. He would have the whip hand. No contractor would disagree over a matter if he knew that that would end his business. In my judgment, the provision is very much better as it is than it would be if the words "by the Secretary" were inserted.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. The Senator is now saying that the Secretary would have collateral powers of persuasion to affect the conclusion. Of course, that is undoubtedly true; but what is the textual fact in respect to the conference report? My original question has been answered both ways.

Mr. McKELLAR. I have not answered it both ways.

Mr. VANDENBERG. The question is, Is the consent of the contractor necessary in order to identify an excessive profit? The Senator from Louisiana says "Yes." The Senator from Ohio says "No." The Senator from Tennessee says "Yes and no." What is the answer?

Mr. McKELLAR. I do not say "Yes and no." I say that the practical effect of the provision would be, first, to cause a renegotiation and an agreement, if possible. In the event there should not be an agreement, under this provision the Secretary would be required to take further steps. What would he do? He would fix the amount of the excessive profits and would withhold payment. Then it would be a matter for the courts to decide. It will be remembered that when the amendment was originally before the Senate the distinguished Senator from Connecticut [Mr. DANAHY] called attention to the fact that the bill contained a provision which would prohibit a contractor from going into the courts. As a result of the amendment of the Senator from Connecticut, that provision was stricken out. When it was stricken out, the language was left in such shape that the Secretary could pass upon the question, and if the contractor did not like the decision of the Secretary, he could go into court and endeavor to have it overruled.

The Senator from Michigan says that I answered "Yes and no." I think the Senator is mistaken. If I answered "Yes and no," I was mistaken. I am not in the habit of answering "Yes and no" to anybody. I answered in accordance with my understanding. In this case I know I am right, because if the Secretary holds, with respect to any contract, that a certain amount of profit should be regarded as excessive, he has the right to enforce his decision by withholding payment from the contractor, and the contractor may then go into court and have the matter settled.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. The answer is that the consent of the contractor is not required to identify an excessive profit, although one of the conferees says it is.

Mr. McKELLAR. He is required to negotiate. Two negotiators may differ.

Mr. VANDENBERG. Just as the conferees seem to differ at the moment.

Mr. McKELLAR. Yes; but the Secretary has the right to pass upon the question in the way I have explained.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. OVERTON. I wish to quote the exact language of the substitute amendment suggested by the conferees in that connection. I call the attention of the Senator from Michigan to what I am about to read. I think there will be no question whatever as to what the answer to the question propounded by the Senator from Michigan should be.

Mr. VANDENBERG. Does the Senator mean that the Senator from Tennessee is mistaken in his construction?

Mr. OVERTON. In my opinion he is mistaken.

Mr. VANDENBERG. The Senator from Louisiana was one of the conferees on this bill, was he not?

Mr. OVERTON. I was one of the conferees. It is not a question of what the Senator from Tennessee or the Senator from Louisiana thinks. The language is so clear as to remove any doubt whatsoever as to the construction which should be placed upon it.

Mr. VANDENBERG. If it does not remove the doubt of the Senator from Tennessee I do not know why it should be expected to remove the doubts of the taxpayer, who must live under this formula.

Mr. OVERTON. If the Senator from Michigan will withhold any comments until I can place before his clear and analytical mind the exact provision, he may arrive at an independent judgment, which I am sure will be correct. The language to which I refer is:

(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department or from any subcontract thereunder, (1) to require the contractor or subcontractor to renegotiate the contract price, (2) to withhold from the contractor or subcontractor any amount of the contract price which is found as a result of such renegotiation to represent excessive profits.

He may not withhold any amount representing excess profits unless those excess profits have been found as a result of the renegotiation between the contractor and the Secretary. So it is perfectly obvious that it must be by mutual consent.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. It seems to me that the Senator's statement is very persuasive; yet he seems to be overruled by the majority of his colleagues who joined in writing the formula. I was wondering if we could not give the ultimate taxpayer a little more assurance as to what are his rights and whether the Senate cannot know whether it is limiting profits.

Mr. McKELLAR. I do not think there is any doubt about the right of the contractor. If the contractor is displeased with what is done he may go into court and sue the Government for the money. That is provided in this bill or in other laws. If the Government is dissatisfied it can retain the alleged excessive profits. The Secretary can withhold payment. It is a very effective measure. It seems to me we are quibbling over the difference between tweedledum and tweedledee. I do not believe there would be a particle of trouble about the enforcement of the act. The House did not feel so. The House conferees did not feel so. The representatives of the War Department, the Navy Department, and the Maritime Commission do not think so. They think that the provision is workable. It comes before us with practically unanimous agreement. Remember, those words were not in the bill when it passed the Senate. The Senate ironed out the question. I think the Senator from Michigan voted for this provision when the bill was before the Senate. The amendment offered by the distinguished Senator from Louisiana, for whom I have the greatest respect, and for whose legal ability I have the greatest admiration, was offered in the committee. It was not in the bill as it passed the Senate. We have not taken out something which the Senate adopted in this respect. As I remember, this provision received the unanimous approval of the Senate. It has received the unanimous approval of the House, by reason of the agreement to the conference report. I believe it received the unanimous approval of the conferees. It comes back to us in the form in which the Senate passed it. I believe that the fears of the Senator from Louisiana and of the Senator from Michigan are beside the point and will not be found to be of importance in the actual administration of the law.

Mr. VANDENBERG. Mr. President, will the Senator further yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. I again agree with the Senator that the provision will be relatively useful in some aspects.

Mr. McKELLAR. It will be.

Mr. VANDENBERG. I am still not clear as to what it means conclusively. Whether we understand it or not, it will be helpful.



Mr. McKELLAR. I hope so.

Mr. VANDENBERG. However, I am driven to the final conclusion that by no remote stretch of the imagination have we settled the question of limiting profits on war contracts by this particular formula.

Mr. McKELLAR. That may be so. I cannot say. Nobody can predict what the effect of an amendment of this kind will be; but the very fact that one contractor has already paid back \$50,000,000, or has agreed to do so, is persuasive that it might be effective in doing what we all want to do, and that is to save the Government from excessive payments on war contracts.

Mr. VANDENBERG. The payment the Senator identifies also suggests that there is involved in this enterprise a vast reservoir of profits which needs a very careful combing over.

Mr. McKELLAR. Indeed it does; and I desire to say to the Members of the Senate that, in my judgment, this is a far-reaching amendment; that it will do invaluable good in the war effort; it will save the country enormous sums, and will be of the greatest benefit to the American taxpayer.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me now?

Mr. McKELLAR. I shall yield in a moment, if the Senator will wait. I promised the Senator from Louisiana [Mr. Overton] that I would yield to him, and I promised the Senator from Connecticut that thereafter I would yield to him.

Mr. SHIPSTEAD. I wish to ask only one or two questions. Is any definition of excess profits contained in the report?

Mr. McKELLAR. No; and there ought not to be. We do not want to put in the bill anything that will slow down production. It is one thing to prevent or recover any excess profits, but we do not want to slow down production. The Departments were of the opinion that this provision would not slow down production, but would save excessive profits. That is why we have agreed to it.

Mr. SHIPSTEAD. Then, as I understand, decision as to the question of excess profits is left entirely to the conscience of the Secretary. Is that correct?

Mr. McKELLAR. The conscience of the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission.

Mr. SHIPSTEAD. Is it not a fact that the fixing of excess profits will be done according to the consciences of the various Secretaries?

Mr. McKELLAR. Yes, sir; that is correct.

Mr. SHIPSTEAD. If they, in their judgment and conscience, find that excess profits are being made, then they will levy a tax and collect the excess profits. Will not that be a delegation of the taxing power of Congress?

Mr. McKELLAR. No, sir; I do not think so at all. The departments have had delegated to them the power to make contracts, and we may fix the terms under which they may make the contracts.

I yield now to the Senator from Connecticut.

Mr. DANAHER. Mr. President, I should like to invite the attention of the Senator from Tennessee to subclause (c) of section 403.

The Secretary of each department is not only authorized, but he is directed, whenever he deems excessive profits have been realized, to require the contractor or subcontractor to renegotiate the contract price. Is not that so?

Mr. McKELLAR. That is true.

Mr. DANAHER. At that time, obviously, they may agree or they may fail to agree. If they do agree, then subclause (2) comes into effect in the event the contract has not already been completed. Is not that so?

Mr. McKELLAR. I do not think the Senator has correctly interpreted that provision. It is true that the contractor or subcontractor may be required to renegotiate the contract price but subclause (2) is not dependent on that. To withhold part of the contract price is within the power of the Secretary. The provision is a direction to him to withhold it; and I think that provision is quite as important as the first one. I think it is quite as important to withhold from the contractor or subcontractor any amount of the contract price which is found, as a result of such renegotiation, to represent excessive profits.

Mr. DANAHER. Let me ask the Senator to bear with me further, because I think we can straighten out the matter down to the point about which I really wish to be certain.

Mr. McKELLAR. Very well.

Mr. DANAHER. If a contract has already been completed, all except the final payment, subclause (2) becomes operative, because the Secretary would be authorized and directed to withhold from the contractor any amount of the contract price which, as a result of the renegotiation, might be agreed to be excessive. Is not that so?

Mr. McKELLAR. That is true; he has the right to withhold. The provision does contain that language.

Mr. DANAHER. Let me call the Senator's attention to clause (c), subclause (3). If the contract has already been completed, if payments have already been made, and if there is a renegotiation as to what may be excessive profits derived under the contract, in such case the Secretary is authorized, as a result of the renegotiation, to recover the amount previously paid to the contractor. Is not that so?

Mr. McKELLAR. That is true.

Mr. DANAHER. So that subclause (3) becomes operative only in cases in which payment has already been had, and subclause (2) becomes operative only in cases in which payment has not as yet been completed. Is not that so?

Mr. McKELLAR. That was the intention, of course.

Mr. DANAHER. So that under subclause (1), when the Secretary is authorized and directed to require the contractor to renegotiate the contract price, if they agree, then subclause (2) becomes operative in withholding cases, and subclause (3) becomes operative in recovery cases; but if they do not agree, resort will be had to subsection (a) of section 403,

in which the term "renegotiation" is defined to mean a fixing of the price by the Secretary of the Department. Is not that so?

Mr. McKELLAR. That is correct.

Mr. DANAHER. In that event, is not the Secretary bound to go into court to sue to recover the price over and above what he defines to be a reasonable one?

Mr. McKELLAR. Oh, no; because the Secretary would simply withhold it.

Mr. DANAHER. No; I mean, if the payment has already been made.

Mr. McKELLAR. If the payment has already been made, he is authorized to go into court and sue to recover it.

Mr. DANAHER. That is correct; and the Secretary is authorized to recover on the basis of what he may determine to be excessive; is he not?

Mr. McKELLAR. Yes; what he fixes or determines to be excessive.

Mr. DANAHER. Is it the Senator's understanding that at that time the contractor has a right to offer in a court whatever defenses are proper—in computing profits, for example, to offer those elements of cost which he contends are not excessive?

Mr. McKELLAR. Beyond controversy, he has such right.

Mr. DANAHER. When the bill first was brought to us from the Senator's committee, it would have denied that right.

Mr. McKELLAR. It would have denied that right; and it was upon the motion of the Senator from Connecticut, as I recall, that that provision was stricken out.

Mr. DANAHER. We amended it so that the contractor had a right—

Mr. McKELLAR. So that the contractor had a right to sue, and the Government had a right to sue.

Mr. DANAHER. And there is not any longer any question in anybody's mind that the contractor does have a right to go into court to determine whether a proper measure of damages, let us say, has been applied in a particular case?

Mr. McKELLAR. None whatsoever.

Mr. DANAHER. Let me ask the Senator only one other question, and I will conclude. The termination date of 3 years from the termination of the war has been retained by the conferees; has it not?

Mr. McKELLAR. I am sure we retained it. I shall have to refer to the report for a moment to be absolutely sure; but I am quite sure we retained the 3-year limitation.

Mr. DANAHER. Is it in subsection (a)?

Mr. McKELLAR. No; it is in subsection (h), which reads:

This section shall remain in force during the continuance of the present war and for 3 years after the termination of the war.

Mr. DANAHER. Let me ask the Senator a further question. Have the conferees retained the provision which would require the adoption of regulations, to be prescribed by the President, which will be uniform in each of the departments?

Mr. McKELLAR. My recollection is that that matter was not touched upon



in the original amendment, nor by the conferees.

Mr. DANAHER. I invite the Senator's attention to subclause (f), and ask whether that language is in the form the Senate adopted.

Mr. McKELLAR. I beg the Senator's pardon. The Senator is entirely correct about that:

The authority and discretion herein conferred upon the Secretary of each department, in accordance with regulations prescribed by the President for the protection of the interests of the Government, may be delegated, in whole or in part, by him to such individuals or agencies in such department as he may designate—

One of the three—

and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

I will say to the Senator, in regard to that provision, that it was changed somewhat; and the idea of the provision was this: Of course, the President himself cannot pass upon those questions; the authority had to be delegated; so it is provided that it may be delegated to the officials in the departments who can best do it.

Mr. DANAHER. Let me ask the Senator only one other question. Is it not a fair inference to draw, with reference to all of section 403, that no contractor can now tell whether or not he has a contract?

Mr. McKELLAR. I do not think that is so. The result of section 403 is this:

The contractor has a contract in which it is provided that if his contract with the Government results in excessive profits, that provision of the contract may be renegotiated and readjusted. In order to make it perfectly fair, so that every contractor may know what he has, that provision is to be written into every single contract, so that he will have a contract just as the law permits it to be.

Mr. DANAHER. So far as future contracts are concerned, there can be no question that we have that right.

Mr. McKELLAR. That is true.

Mr. DANAHER. But so far as the 3,000,000 outstanding contracts now in process of execution are concerned, a very different situation prevails.

Mr. McKELLAR. Such contracts are in a different situation; and, of course, if the determination is wrong in any way, the contractor will have a right to go before the courts and have the matter adjusted.

Mr. DANAHER. I thank the Senator.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Ohio.

Mr. TAFT. Referring again to this controversial section (c), the Secretary is given power—

to withhold from the contractor or subcontractor any amount of the contract price which is found as a result of such renegotiation to represent excessive profits.

Will the Senator tell me, found by whom?

Mr. McKELLAR. The provision does not say.

Mr. TAFT. It does not say. That is why I asked whether the Senator can

interpret that provision. Does it mean found by the Secretary?

Mr. McKELLAR. Unquestionably.

Mr. TAFT. Or does it mean found by agreement?

Mr. McKELLAR. In my judgment, the Secretary will agree with the contractor whenever it is possible; but when he makes a finding, a contractor who is dissatisfied with it will have to exercise his right to go into court.

Mr. TAFT. It does not do a contractor any good to go into court.

Mr. McKELLAR. Yes, it does, if he has a just case. If the Secretary of War, for instance, has held certain profits to be excessive when they are not in fact excessive, of course, the contractor has a right to go into court, and I think he will get relief.

Mr. TAFT. I do not see why. The Secretary is given absolute discretion to find what are excessive profits. He may say that 1 percent is excessive, or any amount over 1 percent. No right is here given the court to overrule the Secretary of War as to what may be excessive profits.

Mr. McKELLAR. What we intended to do, Mr. President, was to frame a workable provision under which the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission would take up such matters. They will appoint boards to look after them. I imagine they will agree with contractors, perhaps, in 999 out of 1,000 cases, certainly in 99 out of 100 cases. I have not the slightest doubt that that will be done. We thought we ought to have the contractor consulted at every step that the Secretary or the Chairman of the Maritime Commission should take in the matter. We have written a provision which we think is workable, and which we think will save the Government enormous sums of money. We think it can be done without, as these officials say, retarding production, which was an important question which was in the mind of the committee at all times.

Mr. HUGHES. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. Yes; I yield.

Mr. HUGHES. Referring to the provision that now appears in the conference report as to the right to go into court—the Senator has brought it before us heretofore—I should like to ask the Senator at what stage a contractor in a renegotiated proceeding may go into court.

Mr. McKELLAR. In my judgment, whenever he disagrees with the Secretary of War, in the case of a military contract, he may go into court. If the Secretary refuses to pay him, he may sue.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Kentucky; and I apologize to him for not having yielded earlier. Senators were on their feet all around me, and I asked him to let their questions be answered first.

Mr. BARKLEY. The Senator owes me no apology.

We discussed the substance of this Senate provision at length when the bill was before the Senate. What I should like to ask the Senator is, What change was

made in the House? I have been unable, by reading it, to identify the language.

Mr. McKELLAR. Practically no changes were made. Such as were made were so inconsequential that I hardly recall them. The House accepted the amendment practically as adopted by the Senate.

Mr. BARKLEY. There has been no substantial change?

Mr. McKELLAR. There has been no substantial change.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Florida.

Mr. PEPPER. Unhappily the accoustics of the Chamber is such that we have been unable to hear all that has been said. I apologize if I ask the Senator about something concerning which he has already imparted information, but the language, of course, in the amendment is very general in character.

Mr. McKELLAR. It necessarily had to be, because we did not want to retard the production of war materials or the building of ships in this country.

Mr. PEPPER. Is there anything in the record of either the debate in the Senate as the Senator recalls it or in the discussions of the conferees that indicates anything in the nature of a standard or a principle which might guide the Secretaries in the administration of this proposed law?

Mr. McKELLAR. No, sir.

Mr. PEPPER. There is no provision as to 6 percent or 8 percent?

Mr. McKELLAR. The Senator, I take it, has reference to a standard fixing a percentage of profits that a contractor may be permitted to make?

Mr. PEPPER. Yes.

Mr. McKELLAR. There is nothing of that kind at all. That was eliminated from the bill, and does not now appear in the bill.

Mr. PEPPER. Does the same thing apply to the salaries and bonuses which might be paid to their officers by firms that have contracts?

Mr. McKELLAR. They are taken into consideration, I will say to the Senator.

Mr. PEPPER. I am aware of the provision in the amendment, but there, again, the language is general. It says "excessive." No allowance is to be made to a firm for any excessive bonuses or salaries paid. So there again the language is general.

Mr. McKELLAR. I will read to the Senator what is provided:

(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any costs incurred by the contractor which are excessive and unreasonable.

That language is general, but it does provide a general measuring rod for the Secretaries to use in determining what is excessive, and refers particularly to the claims which have been so often made by contractors of amounts they are



obliged to set aside as reserves. The Senator will recall, from the newspapers, the large amounts that have been paid to officers of corporations as bonuses or in the form of excessive compensation. All those things are to be taken into consideration by the Secretary of War, the Secretary of the Navy, and by the head of the Maritime Commission.

Mr. PEPPER. I know, of course, the reasons why it has been necessary to leave this language rather general, and I am aware of the difficulty of trying to meet every situation with a stringent statutory provision or regulation. I have before indicated that it is my belief, and it may be the opinion of other Senators, that no firm doing any defense work for the country should sustain any loss, provided it exercises reasonable prudence in its activities; and I suppose everyone is willing to see a reasonable margin of profit derived.

Mr. McKELLAR. Reasonable profits, of course.

Mr. PEPPER. But I thought that, since these discussions may be looked to by the Secretary to see if there was any principle enunciated by the Congress that might guide them, probably it is the opinion of the committee that handled this legislation that, while no contractors will sustain any loss provided they have been prudent and cautious and intelligent in their conduct in carrying out their contracts with the Government, at the same time it is the spirit of this legislation that margins of profit shall be cut to the bone, and that shall apply also to the salaries of executives who are the heads of the contracting firms.

Mr. McKELLAR. That is true.

Mr. PEPPER. Certainly anything in the nature of excessive salaries would be considered by the Senator, and also by the Secretaries, as a violation of the spirit of this legislation?

Mr. McKELLAR. The Senator is correct. I wish to say to him, and to the other Senators present, that, figuratively, I want to take off my hat to the officers of these three departments. I do not think I ever knew officers of Government departments at any time in our history—and this is the second great war that I, as a Member of the Senate, have been through—to act with a greater desire to do their duty in seeing that the Government's interests were protected and that nothing would be done which would retard production of war materials in our country. There has been a general desire on their part to bring about such results. I wish I could name them, but I will not attempt to do so, because to name some and omit others might not be right. I include all who appeared before our committee or who conferred with us and who took part in preparing the provision which is now before the Senate. I think they acted as finely as any officers of the Government I have ever known. I again desire to compliment them in the highest degree for their splendid work.

This amendment is not my amendment. It was prepared at my request and the request of the committee by the officers of the several departments themselves.

Mr. PEPPER. Mr. President, will the Senator allow me to propound a further question in the nature of a statement?

Mr. McKELLAR. Yes.

Mr. PEPPER. We have heard a great many businessmen in this country denounce the Congress and the administrative heads of the Government for not requiring the wages of workers in defense factories to be reduced to the level of the wage of the private soldier, which they emphasize is only \$21 a month. We have not seen fit to reduce wages to that point, although many of us who count ourselves as faithful friends of labor as there are in the Congress, are willing to see them subjected to reasonable ceilings in order that inflation might not come to the country; but I think it appropriate that some of the executives who have been getting salaries of \$100,000 a year or \$150,000 a year, and, perhaps, bonuses on top of that, should remember how much salary General MacArthur is getting, and, if they advocate that the wage of a worker should be reduced to the level of the wage of a soldier, they might, to say the least, subject themselves to the salary of the generals of the Army, remembering that the Members of Congress get \$10,000 a year, and the President of the United States gets only \$75,000 a year.

So I hope that the fine officials to whom the Senator has just paid tribute will reexamine the salaries of all the officers of firms engaged in defense work and prune them down to a very modest figure—and I mean a modest figure—consonant with the emergency we face, so that when we address a demand to any part of the citizenry, they will see that we have been fair to all, which is what everyone has a right to expect.

Mr. McKELLAR. Mr. President, I want to say to the Senator that I believe these officials are going to do their duty. I am not speaking of some of them but of all who appeared before us and testified. Frequently when I said "We want to see that these contractors are treated properly but we all want to see that the Government's interests are protected, and that the contractors shall not receive excessive compensation on their contracts," they agreed to that every time, and were willing to do anything that was reasonable, as they evidenced in their participation in the preparation of the amendment which is now before the Senate.

Mr. CHAVEZ and Mr. CLARK of Missouri addressed the Chair.

Mr. McKELLAR. I yield first to the Senator from New Mexico, who, I think, rose first, and then I will yield to the Senator from Missouri, if the Senator from Florida has concluded.

Mr. PEPPER. I should like to say merely a word, in conclusion. I think this legislation offers perhaps the wisest approach that can be made to the subject, because I believe Mr. Nelson said one day that most of these men are patriotic, fine citizens, and if they are protected against loss, and know they are protected against loss, if they are prudent in their activities, they are not so much insistent upon any particular margin of profit. This bill has in it a flexibility so that the administrative officials can give them real

protection against loss and at the same time give them a little margin of profit. Therefore, it may prove—and that will depend upon circumstances in the future—to be the wisest and best approach that can be made to this problem.

Mr. McKELLAR. I thank the Senator. I wish to say something that I omitted. I hardly know how I can say it without calling the names, but not only did these three Departments—the War Department, the Navy Department, the Maritime Commission—cooperate, but the W. P. B., through its head, joined in the preparation of this amendment. So, I think that organization should be included in my remarks about the other Departments.

I now yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, the difficulty, for the moment, in the conduct of the war appears to me to be that everybody wants to win the war on the basis of profits. The debate this morning has had to do with how much a contractor should receive. I want to take the time of my colleagues in the Senate only briefly to refer to those who are not making profits but who are doing the fighting, the suffering, and the dying in carrying on the war.

It has been my privilege to visit my home State, New Mexico, during the last 3 weeks. I did not stay in any one particular city or locality, such as my home city of Albuquerque, but I went all over the State. While the contractors in Washington and the laborers throughout the country were discussing as to how much they should make a day, or the profit which should be reaped on a \$60,000,000 contract, the mothers of the State of New Mexico were furnishing 2,300 of their sons to the Army in the Philippine Islands so that they could fight under the leadership of MacArthur and Wainwright in order that profits could be made in the city of Washington.

I desire to refer to the ones who are doing the fighting, who are undergoing the actual suffering, who are dying, and, then, I shall ask the Senate whether we are not wasting too much time considering whether a contractor should make 2 percent or 10 percent, or whether a worker should belong to a particular organization in order to be enabled to do his share in the war effort.

Before proceeding to that point I should like to say that I am sure the Members of the Senate will be glad to know that I called on our colleague, Senator HATCH, at his home in Clovis, N. Mex. As is generally known, sometime ago Senator HATCH suffered an accident and was severely injured. I can tell the Senate now, from personal knowledge, that he is in a fair way to complete recovery, and expects to join us in this body within the very near future. I saw Senator HATCH about 9:30 in the morning on the day that Bataan fell.

As I have stated, 2,300 of New Mexico's boys were inducted into the Two Hundredth Coast Artillery service. Several years ago our National Guard, being composed of boys from Western States, was a cavalry unit, but our State, with



a vision of progress in warfare, transformed our National Guard into an anti-aircraft unit, and for 3 or 4 years the guardsmen have been training along those particular lines.

For reasons well known to the War Department, that unit was sent to the Philippine Islands before Pearl Harbor, and was located there at the time of the attack on Pearl Harbor, on the 7th of December, and the attack on the Philippine Islands on the 8th of December. Since then they have been under the leadership of General MacArthur, and lately under General Wainright.

Traveling between the little city of Clovis and the little city of Roswell, both of which have furnished to this particular unit at least 200 of their sons, I turned on the radio, and that was when I heard about Bataan. My only reason for saying these things is to show that the American people are on the alert; throughout the country they know the Nation is actually at war, and I desire to tell my colleagues exactly how those who have relatives in the Philippines are taking this matter of war and suffering.

I arrived at Roswell, which is a small city with rural surroundings, composed of fine people from Texas, Oklahoma, Alabama, Louisiana, Mississippi, many Southern States, and even some from New York and Maine, and another population of different racial stock, but Americans nonetheless. Their sons were in the Philippine Islands, and they had just received the terrible news. One could feel the silence in the streets, could feel the anguish of the mothers, the fathers, the relatives, and the friends. They had loved ones over at Bataan taking everything the Japs could give them.

Eventually I went to the little city of Carlsbad, which also has about 200 of its sons in the Philippine Islands. The reaction there was exactly the same, one of solemnity, one of suffering in silence.

By the time I reached the little town of Deming, close to the Mexican border, the city which furnished the officers of the Two Hundredth Coast Artillery, including Colonel Sage, Colonel Cain, Major Colvard, and 200 of the city's sons, the reaction was different. By that time the people had had time for emotion. It was time for tears, it was time for the handkerchief, it was time for pleading.

It was my good fortune to be invited by Mrs. Colvard, the wife of the medical officer attending to those boys in the Philippines, into her home. She had a large group of women in her home that evening. Remember, they had just received the news. They did not know whether their own loved ones were dead, captured, or possibly could not be found. It would have inspired anyone, the strongest hearts, men made of steel, to see the reaction of the wives and the mothers of those boys. Then we in Washington worry about whether a contractor is to receive 2 percent or 10 percent. They were not worrying about that; they were worrying about their loved ones.

Let me tell the Senate how those people take the news. The city of Deming is close to the Mexican border. It is settled by two racial groups, the descendants of the best of the Anglo-Saxon of the East

and the South, and the descendants of the best of the Spaniards and the Mexicans—all Americans. The sons of those Americans were also in the Philippine Islands, and Mrs. Colvard—bless her soul—said, "Senator, will you not go tomorrow morning and visit the homes of those poor people?" It was in an atmosphere entirely different from that of the folks to whom I have been referring. I saw sights which would inspire anyone to die if necessary. The only spiritual consolation was to have a mother burning three candles for the sons she had in the Philippine Islands. Possibly through neglect of our own Government that mother herself could not speak the language of her country. One good lady about 5 feet tall—bless her soul—rather dark, who could speak Spanish to perfection, said to me, "Senator, I could not buy a 10-cent stamp, I could not pledge myself to a dollar, but if my son has to die in order to keep freedom and liberty in this country, he can go, and I will not say a word. Gladly shall I give my son." Is any contractor making such a sacrifice? Is a laboring man calling for \$12 a day giving such a sacrifice? We have not seen them suffer, but we have seen the fathers and the mothers suffer.

I called on a Catholic priest, who said, "Senator, it is wonderful to see groups praying and making novenas." That was all they could do, not worrying about profits, not worrying about whether they should belong to the cooks union in order to do their share of work, but willing to die, if necessary, for the good of the country.

Those are things which inspire; and this was the report I wanted to bring back to this body from the State of New Mexico.

I went to Albuquerque, another city which furnished many hundreds of boys. Hon. Sam G. Bratton, a former member of this body, at the head of the organization to pass a kind word around to the mothers and the fathers, and the relatives and the friends of the boys over there, had a meeting last week at the Elks Club. It was affecting. Yes, there were tears; yes, handkerchiefs; yes, pleading; but no complaint, except this, "Tell us all. It is all right if our boys have to die; but tell us the truth; let us know where they are; let us know whether they are dead or not; let us know whether they are alive or captured. Tell us the truth, and there will be no complaint."

I do not mind saying that I met Mrs. Martin Riley on the corner of Fifth Street and Central Avenue, Albuquerque. I have known her for many years. I know her boy. He is a doctor in the Philippine Islands with his particular unit. She cried, and I cried. I happen to belong to that race of people who, like the Irish, are rather emotional. I remember the boy in his childhood. I know the mother. Why should we not all cry—but strong tears, tears of patriotism, tears of loyalty? I think the country is further ahead in this war than is Washington.

I thank the Senate.

Mr. OVERTON and Mr. TAFT addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Tennessee yield, and if so, to whom?

Mr. McKELLAR. I yield first to the Senator from Louisiana.

Mr. OVERTON. Mr. President, I have no desire to oppose the adoption of the conference report. The bill carries appropriations aggregating more than \$19,000,000,000, which are sadly needed by the Army and the Navy. My purpose in rising is to explain why I did not sign the conference report as one of the conferees.

The only controversial amendment in the whole bill was the amendment dealing with excess profits on the part of contractors having war contracts with the Federal Government. I wish to say at the very outset that there was no one connected with the conference committee who took a deeper interest in undertaking to solve this problem than the able Senator from Tennessee, who was chairman of the conference committee. From the beginning he showed a very earnest and patriotic desire to do something which would effectively limit excessive and unreasonable and unconscionable profits which from time to time have been made by those who are dealing with the Government under these war contracts. It was his earnest desire to provide a measure which would be effective.

My reason for not agreeing to the substitute amendment proposed by the conferees is that it does not grant one item of authority to the Secretary of the Navy or the Secretary of War or the Chairman of the Maritime Commission which is not already possessed by those officials. It does not give one additional right to the Federal Government which it does not already possess. It does not afford any remedy on the part of the Federal Government against any contractor who is making unconscionable profits which the Federal Government does not already possess. So, while it does not do any good, at the same time I think I can say it does not do any harm. It is merely a restatement of practices which are now being engaged in by the heads of the departments concerned.

The amendment which was adopted by the Senate was an effective amendment; it did give authority to the Secretaries which they do not now possess; it did give rights to the Federal Government which the Federal Government does not now possess. The amendment adopted by the Senate gave the Secretary of each department the right to provide in each contract for the renegotiation of the contract price. It also provided that the contract should contain a clause for the retention by the United States or the repayment to the United States of any amount of the contract price "which is deemed by the Secretary"—I repeat those words—"which is deemed by the Secretary to represent excess profits."

Mr. WALSH. Mr. President, will the Senator from Louisiana yield?

Mr. OVERTON. I yield.

Mr. WALSH. I gather from what the Senator from Louisiana states that he is disappointed at the provisions of the



amendment he has been discussing because there is no yardstick; there is no way for an administrative official or for the public to know where legitimate profits begin on war contracts and what are and may be construed to be excessive profits. In general, is that the Senator's position?

Mr. OVERTON. No; that is not the contention I am making. The contention I am making is that this amendment does not give any authority to the Secretary which the Secretary does not already possess.

Mr. WALSH. Let me put it this way: Does the Senator know of any existing law which attempts to determine profit limitations, so that the public and the administrative officials may know what is the line of demarcation between legitimate profits and excess profits?

Mr. OVERTON. There is no law providing any yardstick in that connection.

Mr. WALSH. Let me ask another question: Has the Senator, as a member of his committee, had the experience which I have had of finding the executive officers of the various departments apparently—and I think sincerely—desirous of fixing a limit upon profits, and agreeing with efforts to do so, but unable to furnish any practical proposals which would squarely meet the issue?

Mr. OVERTON. We undertook to solve that problem in the amendment, which was adopted by the Senate, by vesting authority in the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission to determine what are excessive profits. It may be said that that is an improper enlargement of authority, since the Secretary represents the Government, which is one party to the contract, and that one party to the contract should not have the right to determine what are excessive profits. The answer to that is that in the absence of any yardstick—and I agree with the Senator from Massachusetts that it is very difficult to establish a yardstick by statute—there ought to be some tribunal to determine what are excessive profits, and to determine it speedily. Therefore, the Senate proposed to vest that authority in the Secretaries—constituting a tribunal to determine what are excessive profits.

The other answer is that if the contractor is aggrieved he has his remedy in the courts.

Mr. WALSH. I think we all appreciate the extreme difficulty of drafting legislation dealing with the subject. It has been disappointing to me to find that the officials who are actually making the contracts—those who have had experience under war contracts and those who have knowledge of large profits—have not been able—I do not say they are unwilling—to give us concrete suggestions.

My committee has proposed some amendments and sent them to the Departments, and invariably there has been some criticism, which is understandable, to the effect that such proposals might interfere with the production of war materials. I have not been able to get any constructive suggestion from the Department heads in an effort to solve this problem.

I do not say that in criticism. It is partly due to the fact that the department heads think that this subject is our responsibility. I wish to make it clear that the whole discussion of this subject, in which we are all so vitally interested, has been made difficult for the Congress by reason of the absence of suggestions from the administrative officials and their enthusiastic support of some amendment.

Mr. OVERTON. I do not think that the substitute amendment proposed by the conferees would be at all effective. I think it would accomplish absolutely nothing, and I shall undertake to show why in a moment.

Mr. WALSH. I regret to say that I share the Senator's opinion that it would not be effective. It would not be strong enough, and it would be disappointing to the American public, although in view of my own experience I think the committee deserves to be commended for making an effort, even if a weak effort, to limit war profits.

Mr. OVERTON. There was a very earnest effort on the part of the Senate committee, the House committee dealing with the subject, and the conference committee, to undertake to solve the problem. I am simply taking the position that the problem is not at all solved. The solution, if any, still remains to be found.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McKELLAR. Does the Senator say that this provision would not change the law at all?

Mr. OVERTON. Yes.

Mr. McKELLAR. I think the Senator is entirely mistaken, because undoubtedly at the present time there is no provision of law for the renegotiation of a contract or the price contained in a contract. This language does provide for legal renegotiation of a contract. That is the main feature of the amendment.

Mr. OVERTON. Mr. President, it is not necessary for the Congress to vest authority in the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission to undertake the renegotiation of a contract. They already have such authority.

Mr. McKELLAR. They say they have not.

Mr. OVERTON. They are doing it now.

Mr. McKELLAR. The evidence before the committee was that they have no legal authority for it. The Senator recalls the testimony of those gentlemen.

Mr. OVERTON. They have no mandatory authority. They have no directions from the Congress to do so; but they have the authority to renegotiate contracts.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. OVERTON. I shall be glad to yield in a moment. Necessarily they have that authority. The Secretary of War can go to a contractor and say, "I think there are excess profits in this contract. I want to renegotiate it." Can he not do that?

Mr. McKELLAR. No.

Mr. OVERTON. Certainly he can. I differ with my colleague.

Mr. McKELLAR. The contractor can sue the Government to recover the contract price. If there were fraud in the contract the Secretary could defend on the ground of fraud. However, there is no present law—and I challenge the Senator to find any—which provides that the Government has the right to renegotiate the price fixed in a contract.

Mr. OVERTON. This amendment does not give such authority.

Mr. McKELLAR. Oh, yes; it does.

Mr. CLARK of Missouri rose.

Mr. OVERTON. Mr. President, I have not had an opportunity to present my argument. I should like to present it. I shall be very glad to yield, but, if I am interrupted every time I make a statement, without an opportunity to make the argument, of course I am at a disadvantage. I am very glad to yield to the Senator from Tennessee or the Senator from Missouri; but when I make a point I should like to give the reason for it. I am very happy to yield.

Mr. CLARK of Missouri. I will withhold any interrogation at this time.

Mr. OVERTON. I was referring to subparagraph (b) of the proposed amendment. Subparagraph (c) undertakes to vest authority in the Secretary, in the case of all contracts and subcontracts hereafter made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause, to renegotiate the contracts. So it undertakes to give authority to the Secretary of the Department to require the contractor to renegotiate the contract price, and then to withhold from the contractor or subcontractor any amount of the contract price which is, as the Senate amendment had it, "deemed by the Secretary to represent excessive profits," but, as the substitute amendment has it, "which is found as a result of such renegotiation to represent excessive profits." Wherever in the substitute amendment there is any provision for renegotiation or for recovery or retention of excess profits by the Government, they must be such excess profits as are found to be excessive as a result of the renegotiation. Therefore the right of the Federal Government to withhold or recover excessive profits depends entirely on the act of the contractor in signing a renegotiated price contract. If the contractor says, "I refuse to sign the renegotiated contract," it makes no difference how much excess profits he is making; the Federal Government is without any authority whatsoever to modify the contract or to recover the excess profits, although they may amount to 100 percent or 1,000 percent, because they do not result from the renegotiation of the contract price. I think that the amendment inserted by the conferees destroys the effectiveness of the Senate amendment.

That view was taken in the House. The able Representative from Georgia [Mr. VINSON], who has made a considerable study of the question of excess profits, as the Senator from Massachusetts [Mr. WALSH] will no doubt agree, saw at once the ineffectiveness of the substitute



amendment proposed by the conferees, and he made a statement to that effect. I should like to quote from it. The statement which he made to the House was not disputed by any Representative. It was not disputed by Mr. CANNON, in charge of the conference report. This is what Mr. VINSON said:

The conferees are bringing before the House a substitute which amends the Senate provision and leaves the question of excessive profits to be determined entirely by mutual agreement of the contractor and of the department concerned through renegotiation of the contract.

I repeat, "by mutual agreement." There must be a mutual agreement between the contractor and the department concerned. Continuing, Mr. VINSON said:

This is no more nor no less than a restatement of existing departmental practice.

That is true. We know that for some little time the departments have been undertaking to renegotiate contracts, and in some instances have been successful; but the renegotiation of the contract depends entirely on the consent of the contractor to reduce the price. If the contractor will not, as a result of the renegotiation, enter into a contract reducing the price, then the renegotiation is at an end. The amendment now before the Senate contemplates that there shall be no finding of excess profits, and no recovery or retention thereof, unless they result by reason of a renegotiation of the contract price. That makes the whole effort on the part of the Congress to deal with this question in this manner absolutely futile.

Continuing to quote from Mr. VINSON:

Each department head now has the right and considerable authority to require a renegotiation of any contract on which he believes the contractor is receiving excessive profits.

Mr. VINSON further said:

The provision recommended by the conferees is definitely not an answer to the problem of exorbitant profits on war contracts. It may be of some help to the departments in their campaign for voluntary refunding of excess profits by the contractor, but it will go no further than that.

That caused Mr. TARVER to make this observation:

If the gentleman's statement is correct—and I may say I am in full accord with him—then why should the House go through the futile motion of adopting this amendment? Why not reject the whole thing rather than have the people of the country believe we are undertaking to legislate on this question, when we are, in fact, not accomplishing anything?

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I shall be glad to yield in a moment.

I have no desire at all to defeat this amendment, but I do not wish the public to think that the Congress of the United States has dealt effectively with excess profits by the amendment.

Mr. McKELLAR. Mr. President, I was about to say that, while it is true that that was Mr. VINSON's language on the floor of the House, yet the House, with practical unanimity, disagreed with Mr. VINSON, and passed the bill.

Mr. OVERTON. I do not know that the House disagreed with Mr. VINSON.

Mr. McKELLAR. The House passed the bill.

Mr. OVERTON. I think the Senate will, with practical unanimity, and probably unanimously, vote for this conference report, and so will I; but I will do so not because we have met this problem face to face, or because we have done anything toward solving it. I will vote for the conference report because, first, it will not do any harm, while it will not do any good; and, second, because we have a \$19,000,000,000 appropriation tied up with this attempt at legislation on the part of the Appropriations Committee. So I am not opposing the conference report, and I am not going to oppose the particular substitute amendment we are now discussing.

Mr. President, I have two purposes in rising at this time: First, I wanted to pay a deserved compliment to the very able Senator from Tennessee [Mr. McKELLAR], who, as well as the other conferees, has worked very hard upon this problem, and who I know has undertaken to do all he could do to have prepared an amendment which would meet with the approval of the various governmental departments, and which he could reconcile with his own views as to what should be done. At the same time I regret that I must disagree with the Senator from Tennessee in the conclusion he reaches; and I wish to point out, so far as I can in my feeble way, that this amendment accomplishes nothing toward an effective control of excess profits. In fact, it is absolutely nugatory toward accomplishing its much-vaunted and heralded objective.

Mr. HAYDEN. Mr. President, will the Senator yield at that point?

Mr. OVERTON. I yield.

Mr. HAYDEN. I entirely agree with the Senator that, from the legal standpoint, no contract can be renegotiated except as the result of an agreement between the contractor and the Government. However, will not the Senator concede that there is a positive advantage in affirmatively saying, as we do say in this measure, that any contract written in the future shall contain a provision that it is subject to renegotiation? There is no such law now. That is an advantage. If the measure becomes law, in the future a contractor who makes an original contract will know that if his profits are excessive he will be called upon to renegotiate the contract.

Mr. OVERTON. That is true; it has a persuasive effect.

Mr. HAYDEN. I understand that. The second point is that, following enactment of the measure, renegotiation will be by law directed, which again appears to me to be a positive advantage, instead of having no law at all.

Mr. OVERTON. Yes.

Mr. HAYDEN. The measure does not take away any of the extra-legal powers which the Departments have had heretofore.

What were the powers which the Departments had to compel the renegotiation of contracts? First, they could say to the contractor—as was done during

the last World War by the head of the War Industries Board, Mr. Baruch: "You are making too much money." The contractor would say, "What are you going to do about it?" It would be pointed out to him that he was engaged in other business, and that he would have great difficulty in obtaining priorities for materials needed in his other business unless he did right by the Government in this instance. That power still exists, and is very persuasive.

Mr. OVERTON. Certainly; they have that power, and they are exercising it now in the War Department.

Mr. HAYDEN. Yes; but I say it is better to write it into the law, instead of doing things in an extra-legal way.

A second point is that the Government may owe a contractor money, but it may take its time about paying the money. That is a second persuasive influence upon him.

Another point is that a contractor may have one contract but he may have difficulty in obtaining another one. That is another extra-legal influence.

Then, after all, we have in Congress two very excellent committees—the Truman committee of the Senate and a similar committee of the House—to which, if all other means fail, the departments may very properly make reports to the effect, "Here is a contractor who is making unconscionable profits; he will not renegotiate the contract, and we think the country should know about it."

Those are extra-legal powers which the departments may exercise. Such powers would be in no manner changed by the pending measure; but we affirmatively say to the contractor in the original instance, "We are making this contract with you with the understanding that if your profits are unreasonable you will agree that there may be a renegotiation." On the other hand, the officials of the department who made the contracts are directed; and I think that is a positive advantage.

I think the Senator goes too far when he says we have done nothing; that it is just as though our action were a waste of time and effort. That is not true.

Mr. OVERTON. I think the argument of the able Senator supports my view, because he goes outside of the amendments in order to show what the secretaries of the different departments may do. They may say to a contractor, "You are going to be badly treated on priorities." They may say, "We do not expect to give you any other contracts." None of that is in this amendment.

Mr. HAYDEN. I understand; but the Senator goes so far that I am afraid he will convey to the country the impression that really nothing is done. If the Senator is consistent, he should not vote for the adoption of the conference report.

Mr. OVERTON. Why not?

Mr. HAYDEN. Because he says we are doing nothing. Why do a foolish thing?

Mr. OVERTON. We are doing something. We are appropriating \$19,000,000,000.

Mr. HAYDEN. The Senator must agree that some good will come out of this, or he should vote against the conference report.



Mr. OVERTON. I do not expect to vote against the conference report on a bill which carries an appropriation of \$19,000,000,000 for the Army and the Navy. I think the Appropriations Committee tried to do something they had no business undertaking to do, and that is legislatively to determine so important a question as this in the Appropriations Committee, because supply bills have to be hurried through. This one was hurried through. We had no time to give this amendment under discussion the serious thought and hearing to which the subject matter is entitled. The able Senator from Massachusetts [Mr. WALSH] is the head of a committee which I am quite sure will have an opportunity legislatively to consider this problem; and I am making this statement in order that such a committee as that which the Senator from Massachusetts heads, and other committees, will not think for a moment that we have at all solved this problem or that we have made one step toward its solution. It still remains wide open, and ought to be taken up by the Committee on Naval Affairs, the Committee on Military Affairs, or some other standing legislative committee.

#### PRICES OF AGRICULTURAL PRODUCTS

Mr. THOMAS of Idaho. Mr. President, an injustice is being done to the farmer in much of the current discussion of inflationary price increases.

The public should understand that only recently has it been possible for agriculture to attain the price level which at the beginning of the present administration was considered the desirable goal for normal times; that prices of farm products at the outbreak of the European war had fallen much farther than those of industrial products, and present percentage increases thus are naturally much greater; that prices of some of the most important crops actually remain below parity; and that the parity basis for other commodities has been recognized as unfair.

I am as much against injurious inflation as anyone. I recognize that in the present war emergency prices must be controlled. It is important, however, that we do not lose our sense of perspective. Our comparisons should take into account all the circumstances respecting price movements.

The index figure of the Bureau of Labor Statistics for wholesale prices of all commodities has not quite reached 100, the 1926 base level, which the present administration in 1933 promised to restore. The index figure for wholesale prices of farm products is a little above 100, while that for industrial commodities is a little below. The index for farm products is somewhat lower than in 1925, 1928, and 1929, and is about 20 percent below the average for 1917, nearly 30 percent below the average for 1918, about 35 percent below the average for 1919, and more than 30 percent below the average for 1920.

It is unfair to stress the increase in prices of farm products since the beginning of the present World War in the fall of 1939 in view of the fact that these prices were then abnormally low.

The index of wholesale prices of farm products dropped to about 60 in August

1939, the month before the beginning of the present conflict. The index for all other commodities than farm products and foods remained in that period above 80. In the early months of 1942 the two indexes have been close together, but the percentage increase from 1939 has been much greater for farm products, because in order to regain their normal level they had farther to climb than did industrial products. It is a well-known fact that in unfavorable times prices of agricultural commodities drop far below the average; and unless they go above the average in good times, the farmers never will be able to emerge from bankruptcy.

The figures of the Department of Agriculture show that during the past few months the prices received by farmers for all their products have averaged about parity, as computed under the formula of the Agricultural Adjustment Act. On the strength of this showing the public has been given the impression that all farmers, regardless of the nature of their crops, are in a highly favorable position. An analysis of the figures does not bear this out.

Prices of the important cash crops of corn, wheat, and other grains have averaged not much more than 80 percent of parity. Cotton has been below parity. This means that the money received by the farmers for these commodities will not buy the same amount of industrial products that it would buy in the base period of 1909 to 1914. Furthermore, the gap has been widened by recent very burdensome increases in labor costs to farmers. Unfortunately, the parity price formula takes no account of wages.

On further examination of the figures of the Department of Agriculture on prices received by farmers, it is found that the high average is accounted for in considerable part by prices above parity for livestock and wool. It has been recognized by competent authorities that the use of the 1909-14 base was unfair in the case of these commodities inasmuch as prices were abnormally low. In the case of wool, for example, the agitation against a continuance of a duty for several years prior to the 1913 Tariff Act and its transfer to the free list in that law were responsible for starvation prices throughout that period. If the years 1919-29 had been selected as the base for wool, as they were for tobacco, the present parity price would be at least as high as the ceiling which has been imposed by the Office of Price Administration. Similarly, prices on livestock would not be much, if any, above parity if a fairer base had been chosen.

While I voted against the conference report on the price-control bill because of the failure to deal with the wage question, I believe that the provision relating to farm prices provides adequate protection to the consuming public. None of the four alternative standards—110 percent of the parity price; the market prices on October 1 and December 15, 1941; and the 1919-29 average price—assures the farmer more than a fair return upon his investment and labor.

Taking all the facts into consideration, it is impossible to conclude that the agricultural portion of our population has

profited unduly from the war situation or that it will be able to do so under existing controls. It is true that the position of the farmers has greatly improved, and in consequence the burden upon the taxpayers for subsidies can be lightened.

The inflationary trends are a menace to all the people, including the farmers. It will be to the interest of all that controls over prices should be exercised. In this process, however, the farmers should receive fair treatment.

Mr. President, the farmers are anxious to do their part in the war program. They are, however, confronted with many difficulties. The higher prices do not compensate for increased labor costs, nor for the difficulty of securing enough labor and necessary farm machinery.

The difficulties confronting the farmers of Idaho are stated by Charles Monlux, one of the leaders of the Idaho State Grange, in an interview appearing in the Idaho Statesman, of Boise, in its issue of April 18. Mr. Monlux commented on fears expressed by Milford J. Vaught, chairman of the Idaho Farm War Board, that the farmers and stockmen of the State would not meet the 1942 food-production goals. Mr. Vaught gave estimates as to additional acreages which he believed should be planted in Idaho.

Mr. Monlux, in commenting on Mr. Vaught's statement, said:

Why does he not tell the reasons why farmers cannot put in a full production? Labor costs are getting prohibitive and many farmers cannot get help at any price. High wages paid by the Government and war agencies are taking most of our labor from us. Our boys are drafted for the war and they refuse to ask deferment because they do not want to be classified as slackers.

On top of that trouble, there is a big scarcity of farm machinery. Cultivators, wagons, and tractors are hard to get. I am not kicking about it, but when you are asked to increase your acreage many of us have to buy more machinery or get more farm help. There are no people more anxious to help in the war program than our hard-working farmers, and yet we are hamstrung in our efforts and then criticized as if we are slackers.

These comments by Mr. Monlux show that the farmers are working under great handicaps. Something must be done to provide more labor and farm machinery. Nothing is more important in the war program than to assure a constant supply of food and clothing for ourselves and our Allies. While production of war materials must take precedence over everything else, the whole program will be endangered unless the needs of agriculture are given adequate consideration.

#### SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATIONS

The Senate resumed the consideration of the amendments of the House of Representatives to certain amendments of the Senate to the bill (H. R. 6863) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

Mr. GEORGE obtained the floor.

Mr. TAFT. Mr. President—

Mr. GEORGE. Does the Senator from Ohio desire to address himself to the pending question?



Mr. TAFT. I intend to speak on the amendment limiting profits.

Mr. GEORGE. I desire to speak briefly; I shall not elaborate what I had intended to say this morning, but my statement is pertinent to the conference report. I think we should give consideration to the underlying question of profit limitations in a way that promises some actual results.

I do not agree with what the distinguished Senator from Louisiana [Mr. Overton] said, that the particular provision in the conference report as to the limitation of profits is useless. I think it has certain virtues, and I think it will serve certain good purposes. I think that everyone will agree that it will not solve the main question of profit limitations, and it does not attempt to do so, except to exclude from contracts already negotiated, or contracts hereafter to be negotiated, excessive profits. I think the country is minded to limit war profits, and I have heretofore stated on this floor that, in my judgment, a proper limitation can be put on war profits in connection with a tax bill.

I have given a great deal of study to the subject and I have reached the conclusion that, through excess-profits taxes alone, as we have approached that problem, we cannot completely answer the question of exorbitant profits on war contracts. My suggestion relates itself to the taxing power, and I think should be properly incorporated in a tax bill.

The problem has been approached at all times from the standpoint of putting a direct limitation on profits, and that has led to all kinds of confusion. First, it is necessary to determine whether there shall be put a limit on profits in the case of each individual contract. Obviously, that cannot be effectively and wisely done. Second, there arises the question of what the contractor has left after the attempt has been made to limit his profits. So I suggest—and I think it should be incorporated in the tax bill, but it might very well be carried in separate legislation—that a profit limitation, or, what I would rather call an over-all war-profits tax, should be based upon the following principles:

All war contracts, direct and subcontracts, should be included. It is not necessary to go down to the suppliers or material men, because under any effective price-control law their prices will be controlled anyway, and, also, many material men may be unable to determine whether their product is going into the war effort or not. It is easy enough, however, to determine the prime war contractor and it is easy enough to determine every subcontractor if the war contractor is required to put the number of his contract on the subcontract.

Let me repeat that profit limitation legislation should be based upon the following principles. First, all war profits, direct and subcontracts, should be included; second, the aggregate profit on all war contracts should be limited to a fixed percentage of the aggregate contract price over the period of the war, or, at least, over a 3- to 5-year period.

I am not suggesting that the aggregate profit on all war contracts should be lim-

ited to 5 or 6 percent or to any lower figure, because that is a matter for careful study and one which ought to have painstaking consideration of the Finance Committee, the Ways and Means Committee, the Naval Affairs Committee, and the Military Affairs Committee; but I am perfectly willing to say that the aggregate profit on all war contracts should be limited to not exceeding 6 percent, and, possibly, to not exceeding 5 percent. My point is that the aggregate profit on all war contracts, direct and subcontracts, should be limited to a fixed percentage of the aggregate contract price over the period of the war or, for example, at least, 3 years.

Third, tentative computation and payment of any excess should be made at the end of each income-tax taxable year, with the application of various averaging devices, with a final adjustment at the end of the war period.

Fourth, the aggregate cost of performing such contracts should be the cost for income-tax purposes, plus the Federal income and excess-profits taxes paid with respect thereto; so that the profit will be taxable net income minus the taxes thereon.

I know very well that we enter a field of controversy when we say that the cost of performing the contracts will be the cost for income-tax purposes, but we may, I think, act in an arbitrary way in order to avoid interminable accounting processes and great expense to the industry and the Government alike. By and large, the cost for income-tax purposes is substantially accurate.

There is no other way, in my judgment, after considerable study, to approach the problem, because if a limitation is fixed before taxes, it is impossible to determine exactly how each contractor will come out. For obvious reasons, the result will not be equitable. Also, we are directly invading and materially interfering with the financial program of the Treasury and with the problems of the taxing committees of both Houses of Congress.

Fifth, in the case of a contractor performing nonwar work as well as war contracts, the taxable net income should be allocated between the two in accordance with a prescribed allocation formula, that is to say, on the basis of gross receipts from sales. In that way the impossible accounting problem and cost determination can again be avoided.

I do not assert, and would not assert, that the method here suggested of using cost for income-tax purposes and of making the allocation in the case of contractors who do both war work and nonwar work is, in every instance, technically accurate or correct; but if the problem is approached as a practical one, if we are to do anything with it, we must adopt arbitrary formulas which are as nearly correct as we can get, in order to avoid excessive costs and interminable delays on the part of both the contractors and the Government, with the consequent slowing down of production.

The excess-profits tax and proper profits limitation in my judgment will solve the problem, and I would prefer to call profits limitation a profit limitation

after taxes, because I do not believe it will be possible to approach the question in any other effective way.

Mr. President, we had the choice, when the Excess Profits Tax Act was adopted, of continuing the Vinson-Trammell Act, which was not perfect, but which might have been perfected. It had a great many virtues. But, instead, we adopted the Excess Profits Tax Act. In figuring excess profits, the primary, the essential question is, what is the credit? That is to say, above what point do we begin to impose the excess-profits tax? We have adopted the average-earnings credit and the invested-capital credit, the two, with various and sundry relief provisions for cases of especial hardship.

It must be confessed that neither the average earnings credit nor the invested capital credit will in every instance measure a true excess profit.

What I am suggesting is that we forget our troubles about the excess-profits tax and forget the worry about whether we will have the two credit bases, the average-earnings base and the invested-capital base, forget them entirely, because if we take either of them, or both, there will be cases in which the war contractor will get unconscionable profits. Mark my words, we cannot quite meet the situation through the excess-profits tax alone. Therefore, it seems to me that, as the Congress, we should enact a sound tax system; we should fix fair and just normal and surtax and excess-profits rates, applicable to all the taxpayers.

There is very good reason for singling out war contracts, because in these days war contractors are the ones who will make the profits. On the contrary, many corporations which will be called upon to pay some excess-profits tax probably will make less profit than usual, because of priorities and restrictions, because of the impossibility of getting materials on which to work. Therefore, we should maintain a sound system both with respect to the normal and surtax and the excess-profits tax applicable to all, and then, on all war contracts, prime and subcontracts, place a profits limitation, as I have imperfectly indicated.

Let Congress fix the limitation, and no one can justly complain, if we allow a reasonable profit.

Moreover, this proposal will retain the incentive to save on the contract, and it will also stimulate the desire of the contractor himself to retain the management and control of his business.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. CLARK of Missouri. I should like to say, in the first place, that I wish to associate myself with the position so ably taken by the Senator from Georgia. I think this matter should be handled as a tax matter. I think it should have been handled as a tax matter in the first place. I think it is unfortunate that it was initiated in the House of Representatives in violation of the rules of both the House and the Senate by putting legislation on an appropriation bill. I believe that we have succeeded in putting ourselves, by this conference report, in the position of the 20,000 men of the King of



France, who marched up the hill and then marched down again, because I think the conference provision means precisely nothing at all.

I agree in large measure with the suggestion the Senator from Georgia has made for the adoption of a general policy which should be enunciated in a tax bill, and, in connection with the point on which he just touched, does not the Senator also think that somewhere along the line power should be lodged in some governmental agency as to contracts for war materials let by the United States Government, to protect the Government against such gouging as the Senator and I both heard testified to a few years ago by the executive of both a great steel company and a great shipbuilding company, when he testified that, in addition to getting a princely salary during the 2 years when the United States was engaged in war, he had also received bonuses of \$3,500,000, in round figures, during the 2-year period?

The Senator has just spoken of the fact that there should be an incentive to a contractor to retain possession of his own business, and I agree with the Senator entirely in that; and when we speak of a contractor, it may mean a very large corporation. Does he not also think there should be an incentive to the contractor to run his business at the lowest possible cost, without running up costs, and participating by receiving a bonus of three and a half million dollars, as was paid to one official, and vast bonuses to other officials?

Mr. GEORGE. I agree thoroughly with the Senator. The point I make is that if we approach this problem from the standpoint of profits limitation on the profits after taxes are paid, then we are in a position to say that we are going to cut off those profits anyhow, and they will not be allowed to go beyond a certain point.

Mr. McKELLAR. Mr. President, I agree with the Senator entirely in his views about taxing these extraordinary profits—indeed, all extraordinary profits. Those receiving them should be made to pay the highest rate, and that will be done, I am sure. I endorse that view entirely.

I do not think the amendment under discussion in any way affects the matter the Senator has been discussing. I think his views and the amendment are in entire consonance, and in my judgment the amendment will be of assistance in bringing out the facts so that the Finance Committee of which he is the very able chairman, will be better able to tax those who are making the high profits. I think the two are complementary, one with the other.

Mr. GEORGE. I agree with the Senator.

Mr. McKELLAR. It is merely a step in the right direction. I am sure that when the Senator brings in the bill from the Committee on Finance, it will be of tremendous advantage to our Government and to our people.

Mr. GEORGE. I have said that the most careful study I have been able to give to this problem has convinced me that the excess-profits tax, as we now

have it, and as we undertake to apply it, will not meet all situations. I therefore think that either in the tax act or in a separate act, and I believe preferably in the tax act, we can have a complementary provision which will deal with the profits on all war contracts, and let the Senate and the House say what they shall be. There is no other proper standard.

The committee has done its best in this case, and it has left a very large and wide discretion, of course, in the Secretary of War and the Secretary of the Navy and the Chairman of the Maritime Commission; but I am far from saying there is any conflict. On the contrary, there is no invasion of the responsibility of the Treasury or of the taxing committees of the two Houses.

Mr. SHIPSTEAD. Mr. President, the question before the Senate seems to be a very controversial one, and seems to me to be quite complicated. As I understand, those who have been authorized heretofore to make contracts under which unconscionable profits have been made in many cases are to continue to make contracts, and if excess profits are made, then a negotiation will take place between the Secretary of the department affected and the contractors. It has been admitted that there is no definition in the bill of what constitute excess profits. If the Secretary and the contractor agree, the Secretary will then have authority to levy the tax and recover the excess profits for the Treasury. That is as it appears to me. If I am not mistaken, the Secretary affected may deduct from the bill owing the contractor what is found in his conscience to be excess profits.

Mr. President, it seems to me that is a delegation of the taxing power of the Congress to the various Secretaries who are in charge of these contracts, and if there is not a record vote, I desire the RECORD to show that I am opposed to that method of levying taxes.

Mr. TAFT. Mr. President, I wish to go on record against the substitute amendment, and will vote against it if a vote is taken. In view of the fact that there may not be a record vote, I wish to be definitely recorded as against it.

It seems to me that the provision designated as section 403 (a) in the conference report is subject to every objection that has been applicable to any of the other provisions, plus the fact that it is completely ambiguous. Here is a provision dealing with literally billions of dollars, which is to be operative for years to come, and we cannot on the floor of the Senate agree what it means. If the courts are to decide the question, they will take years to determine what it means. It relates to the most essential feature of the business system, and to more than half of all the business in the United States.

Whether the provision means granting to the Secretaries arbitrary power, or whether it means nothing, is a subject upon which members of the committee themselves cannot agree. The Senator from Louisiana [Mr. OVERTON] feels that it means nothing, and that nothing can be done unless a contract is renegotiated and a new agreement reached with the consent of the contractor. If that be the

fact, the whole contract does not mean anything.

I do not agree with the Senator from Louisiana. I agree that the provision is ambiguous. I agree that there are all sorts of possible interpretations. I agree that the question may be litigated for years to come; but it seems to me it is a rather complete delegation of the power, which Congress ought to exercise, over practically the entire business of the United States.

As I read the provision, it provides for renegotiation. Every contract may be reopened on notice from the Secretary. A man who had a contract would no longer have a contract. He must renegotiate. Perhaps he has spent millions of dollars. He would be tied up. He could not stop. He would have to reach an agreement if he expected to obtain any money at all from the United States Government. He would have no contract. If this provision should be enacted no company or individual in the United States could ever have a contract with the United States Government. We should be abandoning the theory of contracts. Any contract might be voided by the Secretary tomorrow, at his discretion. I think that is clear.

Obviously the contractor would be at a disadvantage. The Government would not have to agree to any price. The Government could take over his plant if it did not like what he was doing. I think it is pretty clear that even if there were no other provisions, all contracting with the United States Government would come to an end with this provision. Renegotiation is defined as including the refixing by the Secretary of the department of the contract price. So I believe that even under the direct terms of the bill the Secretary would have authority to change any price to any figure he might deem proper.

My principal objection to the provision is that not only would it delegate completely to individuals—the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission—in their individual discretion, the question of what price shall be paid on any contract, whether they have agreed to any other price or not, but also for 3 years after the war—probably for 8 years from this time—without previous notice to any contractor, the Secretary might suddenly walk into the office of any business concern in the United States and say, "I think you made an excessive profit on this contract back in 1941 and 1942, and you will have to repay to the Government millions of dollars."

As I read the bill it gives power to the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission, whoever he may be at that time, to bankrupt every concern in the United States which has had any war contracts. That would mean two-thirds of all the companies in the United States of any size whatever. There is no limitation, and no standard whatever is prescribed by which the judgment of the Secretary may be controlled.

It is said that the contractor may go into court. Some Secretary of War appointed 5 years from now may decide



that 6 percent was too much; that after all, in a war contract, in view of all the sacrifices, 1 percent was sufficient. He may demand that everything over 1 percent be returned. I see no provision here which would enable any court to say that the Secretary was not correct in such an interpretation. There is not the faintest suggestion of a yardstick for excessive profits.

It is said that the procurement officers of the Army and Navy have approved this provision. I understand why they have approved it. They have approved it because it is a complete delegation of power to them to decide what ought to be done with every contract, and on what basis they shall proceed. It may not be a uniform basis. A new Secretary of War may say, 2 or 3 years from now, "I think 2 percent was reasonable," while the Secretary of the Navy is saying that 5 percent is reasonable. The Chairman of the Maritime Commission may adopt an entirely different basis, or he may adopt no basis at all. He may say that 1 percent is reasonable on a certain contract, and 5 percent on another contract.

That seems to me to be a perfectly unjustifiable and dangerous delegation of authority by the Congress to individuals, and one which, in my opinion, would entirely remove the incentive motive. Perhaps it ought to be removed; but I do not think that is the present intention or policy of Congress. We all want to prevent unreasonable profits; but it seems to me that with respect to labor, the farmer, and the businessman, there is still the belief that there is a purpose to be accomplished by keeping some incentive to individuals to proceed in behalf of the war effort.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BREWSTER. Should it not be said in justice to the War and Navy Departments that they were very firmly opposed to any action of this character, and yielded only at the importunities of those who felt that some legislation of that sort was essential? I do not like to leave the record indicating that the Army and Navy have sought any such extraordinary powers as the Senator has appropriately criticized.

Mr. TAFT. Not at all, but I think that the Army and Navy officials are to be blamed, as suggested by the Senator from Massachusetts [Mr. WALSH], for not having submitted a practical plan for limiting profits. They have not worked out any plan to limit profits, as the Senator from Georgia [Mr. GEORGE] proposes to do. I see no reason why they should not have done so. If there has been criticism of excessive profits, it is because the officials made the contracts which resulted in excessive profits.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I am sure the Senator from Ohio will recall that when this matter was before the Senate on a former occasion the Senator from Georgia, as chairman of the Committee on Finance, took the position that the proper place to deal with this question was in

the tax bill which will be forthcoming soon. At the time I rather expressed my adherence to that theory, but, inasmuch as the House had put a provision in the bill rigidly limiting profits to 6 percent under all circumstances, the War and Navy Departments, the Maritime Commission, and all others concerned with making contracts were confronted with the condition that, although they opposed anything of the sort in this bill, it was already in the bill. There was no way to get it out. It had to go to conference. The best thing to do was to try to work out an acceptable substitute. The departments did not initiate this proposal. They did not approve of legislation in this bill on the subject, but inasmuch as it was already in the bill they had to deal with it in a practical way. This compromise or substitute is the result. I think it is fair to the departments to say they did not suggest that this bill contain any such provisions. I still believe that it would have been wiser not to inject it into this particular appropriation bill, but it was in it, and we had to deal with it. We thrashed it all out on the floor of the Senate 2 or 3 weeks ago and wrote out the substitute which has been substantially agreed to by the House and by the conferees.

Mr. TAFT. That begs the question. I am saying that it should not have been agreed to by the House or by the conferees. That is the argument which I wish to present.

Mr. BARKLEY. Of course, we frequently disagree with the other House. When a provision for which we are not responsible is in a bill, we have a situation dumped on our doorstep, and we have to deal with it. In the beginning we might not have been willing to deal with it in this manner. Notwithstanding the fact that we have agreed to the conference report, I still very seriously doubt whether on an appropriation bill the question of profits can be appropriately and adequately dealt with. I think we can still reach it in the tax bill, which will be enacted in the near future.

Mr. TAFT. I entirely agree with the Senator; but I feel that if the Senate had stuck by its principles and insisted that the question should not have been dealt with in an appropriation bill, it would not have been so dealt with. The House could not have refused to pass the \$19,000,000,000 appropriation bill in order to legislate on a subject which is infinitely complicated, and will necessarily take 2 or 3 months properly to work out.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BREWSTER. Is it fair to assume that if the Finance Committee in any tax bill adopts a policy with respect to excess profits it may to some extent serve as a guide for the very extraordinary powers which may be exercised under this provision?

Mr. TAFT. I think perhaps the Senator was not present when the Senator from Georgia [Mr. GEORGE] spoke. I think he made it clear that excess profits for purposes of taxation are a different thing from excess profits on war contracts. The Senator from Georgia stated

that, in his opinion, there should be a separate provision, and that it should be in the tax bill. I hope he will introduce it in the tax bill, and that this provision may be repealed. The only solution which I can see to the problem if this provision is adopted is for the Senator from Georgia to work out a substitute provision.

I was very much interested in the proposals which he made. I do not care to analyze them at the present time, but I feel convinced that something can be done. No problem is insoluble. I very much hope that he will introduce a provision which will repeal the provision which is now before the Senate.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LA FOLLETTE. If the Senator from Ohio will suffer another brief interruption, I should like to ask him a question. Does the Senator think it is at all likely that such a repealer can be enacted? After all, once a law is placed on the statute books, especially a law dealing with a difficult problem such as this, it seems likely to stay there.

Mr. TAFT. I think the Senator is correct; but I hope he may be wrong, if the Finance Committee proposes a sensible provision.

Mr. LA FOLLETTE. I think my colleagues know that this is a subject in which I have been greatly interested. I hope I may be pardoned if I find myself very much confused about this particular draft, when two such able lawyers as the senior Senator from Louisiana and the senior Senator from Ohio disagree so violently about this particular provision. I think it helps to emphasize the Senator's point that this kind of legislation should never be attempted on an appropriation bill, especially an appropriation bill which is so urgent as is this one.

Mr. TAFT. I entirely agree with the Senator.

Mr. LA FOLLETTE. I feel that this is a delicate and difficult problem, and one which requires action. I think the Congress has been derelict in postponing action on the question. However, I do not think this is the way to go about it. I think we shall always get unfortunate results when we attempt to deal with such questions in appropriation bills. That is why we have in the rules a provision that general legislation shall not be attached to appropriation bills. I realize that the House has entered the field, and, of course, as the Senator from Kentucky says, the Senate has a right to go on with it.

Mr. TAFT. Mr. President, I wish to add only a few words. The result of this complete delegation of authority to the Secretary of War is twofold. In the first place, it may accomplish nothing, as has been urged. It is very natural for officials to feel that the problem is well taken care of if the power to take care of it is delegated to them. In effect, that is the position of the officials who were called before the conference committee. They said, "If you will just leave it to us we will take care of it."



That course has two objections. In the first place, they may be too mild. They have not yet limited the profits, and they may not limit the profits at all. There is nothing in the bill which compels them to do so. They may simply ignore profits. They may think that 10 percent, 20 percent, or some other limitation is proper. So those who wish to be sure of obtaining a limitation on profits cannot do it through this bill.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. In a moment I shall yield. On the other hand, we may find very radical officials who would carry the thing to such an extreme as completely to destroy incentive, and completely, as I say, threaten at least the bankruptcy of a large part of the business of the United States.

I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, I think it is only fair to say that the only way in which this measure can fairly be appraised is to see how it works; and there should be some requirement that the Secretaries within a relatively short time make some report to the Congress or give us some evidence of the manner in which they are administering it.

However, the question I desired to propound to the Senator was whether he does not think that if the President should come out next Monday, or at some near date, with a recommendation that individual incomes in this country during the war be limited to a figure not to exceed \$25,000 or \$50,000 a year, such a limitation would go a long way toward solving the problem of profits?

Mr. TAFT. No; I think that would be a very unfortunate provision, and I have no real belief that the President will propose anything of the kind. If we limit incomes to \$50,000, I see no reason why we should not limit them to \$25,000, or to \$15,000, or to \$10,000, or to \$5,000. Once that figure is reached, I cannot see any possible basis why we should stop anywhere short of, perhaps, \$2,500 or \$2,000, which I believe is the average income.

It is argued that anybody can live on \$50,000 a year. Well, anybody can live on \$2,500 a year, so far as that is concerned. I think that what is left of individual incomes should bear some relation, however slight it may be, to the incomes which the individual presumably has acquired through perfectly proper means, perhaps through his own efforts or the efforts of his family.

I think it would be a step toward a completely communistic set-up if the other principle should be adopted. I am willing to go high enough, to 90 percent or anything you please, in the higher brackets; but I think it is a wrong principle to say that no one shall have more than a certain amount because he can live on that amount. Possibly he may have assumed all kinds of obligations and debts and interest payments based on the income he had. It is not a question of living. If it is a question of what one can live on, we can all live on \$2,500 a year.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Is it not a fact, however, that we all know that all the men who are in the service are not receiving an income which has any relationship to the income they were deriving before they went into the service?

Mr. TAFT. I think there may be some relationship. I have introduced a bill to provide allowances for dependents. If those allowances are not sufficient, they ought to be made sufficient. There should be some relationship between what such persons shall receive and their requirements, something with reference to the actual obligations they had assumed before they went into the service.

Mr. PEPPER. The Senator no doubt has observed the bill which I think has already been introduced by the able Senator from Colorado [Mr. JOHNSON] who has been a pioneer in this field.

Mr. TAFT. Not quite a pioneer, because I introduced a similar bill 5 weeks ago.

Mr. PEPPER. I beg the Senator's pardon, I should have divided the honors or perhaps should have given priority to the able Senator from Ohio. However, what I started to say was that, as I recall that bill, I think the maximum allowance for dependents of men in the service is probably \$40 a month. Let me ask what is the maximum allowance?

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Colorado, but first I may say, in the interval, that I think the bill introduced by the Senator from Colorado is a better bill than mine, though it is substantially the same.

Mr. PEPPER. I want to know what the maximum is.

Mr. JOHNSON of Colorado. Mr. President, the Senator is not quite correct in regard to the maximum amount provided in the bill which I introduced the other day, which had the War Department's approval and the approval of the Bureau of the Budget. That is the reason why we were so slow in having it introduced, because we had to go through those preliminaries, while the Senator from Ohio did not go through them with respect to his bill.

The amount provided in the bill introduced the other day by the Senator from Oklahoma [Mr. LEE] and myself is \$20 for a wife, to be matched by \$20 taken from the soldier's pay; also, he will get an additional \$10 for each child, and, in addition to that, he or his dependents may receive, if they happen to be parents, \$15 for one parent or \$25 for both parents.

Mr. PEPPER. Probably it would rarely occur that the total amount of benefits would reach or exceed \$100 a month. Is not that so?

Mr. JOHNSON of Colorado. That is correct; it would rarely occur. The bill applies only to private, privates first class, corporals, and sergeants. It does not go beyond that. The Senator is correct, however, in his conclusion that probably in no case would the amount of benefits exceed \$100 a month.

Mr. TAFT. Mr. President, all I wish to say is that it seems to me the particular program which has been worked out violates all proper principles of legisla-

tion; that it leaves a complete and arbitrary discretion over the entire business life of the Nation to a few individuals who now hold office, and who may hold office for some time. I think it would be very unfortunate if this provision should become law.

#### EQUALIZATION OF WAR BURDENS

Mr. REYNOLDS. Mr. President, first I wish to have the privilege of introducing, at the request of the American Legion, a bill designed to equalize the war burdens of citizens of the United States and thus provide for the successful prosecution of the war.

There being no objection, the bill (S. 2479) to equalize the war burdens of citizens of the United States and thus provide for the successful prosecution of the war was read twice by its title and referred to the Committee on Military Affairs.

Mr. REYNOLDS. Mr. President, ever since the inception of the American Legion that organization has been requesting the Congress to enact universal-service legislation to be effective in wartime and to allow for the participation of every citizen in the war effort. The American Legion had no universal-service bill in the Seventy-sixth Congress or in the first session of the Seventy-seventh Congress, because it did not feel it should confuse issues connected with our preparedness. Also, during that time certain sections of the universal-service plan were being enacted into law, wholly or in part, or such sections were placed in effect by Executive order.

One section of the Legion's plan requested the drafting of manpower for service in the armed forces. That has been accomplished through the Selective Service Act. Another section provided for the granting of priorities in the production of war matériel. That, too, is now in effect. Another section of the Legion's plan sought to prevent excessive war profits. That subject is under consideration by the Congress, particularly by the House Ways and Means Committee, at this time.

Formerly the American Legion met with considerable opposition whenever it urged the enactment of its program, one feature of which, I might mention incidentally, involved the deportation of alien Communist Harry Bridges, of the Pacific coast; but, unfortunately, Mr. Bridges proved more powerful and more influential than the American Legion. I may add in parentheses that I recall that during the discussion of one of our defense bills I proposed an amendment for the deportation of Mr. Bridges; but, unfortunately, the Congress of the United States did not see fit to follow me in that respect. Nevertheless, I wish to avail myself of this opportunity to congratulate the great American Legion upon its effort to rid this country of alien enemies, and to do all that it possibly can, as it is doing now, in building up our offensive and defensive program.

Today, however, public sentiment is demanding enactment of the various phases of the Legion's plan. The American Legion, believing the time is now opportune, has requested me to intro-



duce the bill which I have just introduced for consideration, and has respectfully requested that it be referred to the Committee on Military Affairs for consideration.

The following is a digest of the bill:

The American Legion believes that with the enactment of this measure the Nation will have taken a long step toward equalizing the war burdens of our citizens and thus providing for the successful prosecution of the war, in which we are all vitally interested, and which we shall win.

Section 1 provides that the President, by proclamation, shall control all prices. Of course, we now have an act which provides some control, but the American Legion believes we should take steps to control all prices.

Section 2 allows the President to adjust any prices under section 1 which have been established by proclamation, including wages.

Section 3 grants to the President broad authority to promulgate rules and regulations under which "all or any class of persons" may be brought into the service of the Government for the duration of the war. This establishes a means whereby everyone may participate in the great war effort.

Under section 4 the President is authorized to determine and proclaim the classes of public services, real property or rights, the classes of dealers, exporters, importers, manufacturers, or producers who must operate under a license. This is partially in effect today, but additional authority is needed to insure that all phases of American life shall cooperate fully in the war effort.

Section 5 grants to the President authority to create the necessary agencies to carry out the intent of the act.

Section 6 provides severe penalties for the violation of the act.

Today on all sides we hear the cry from thousands of our citizens that they want to do something to aid in the successful prosecution of the war. The American Legion believes that enactment of the bill introduced by me today will provide an answer to those good citizens who are demanding an opportunity to share in the burdens of the current war.

#### PROHIBITION OF LIQUOR TRAFFIC AND VICE NEAR MILITARY CAMPS

Mr. President, I have before me, and have had for some time, a number of letters from prominent, fine citizens of the State of Virginia, which they have requested that I bring to the attention of this body; but I have not heretofore done so for the reason that the proper opportunity has not presented itself.

Therefore, I now wish to read a letter dated March 12, 1942, from Norfolk, Va., addressed to me as chairman of the Senate Military Affairs Committee. The letter is as follows:

NORFOLK, VA., March 12, 1942.

Hon. ROBERT R. REYNOLDS,  
Chairman, Senate Military  
Affairs Committee,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR REYNOLDS: I am writing you not personally, but officially, as chairman of the Senate Military Affairs Committee.

At the 11 o'clock service on Sunday, March 15, 1942, of the Brambleton Avenue Methodist Church the congregation requested the pastor to write you, stating that those present desire you to present to the Senate of the United States the action of the congregation in favor of the prompt passage of Senate bill 860, or of protective legislation for our service men from the liquor and vice traffic, similar to that which was enacted in 1917.

You are also requested to present this action to the Senate that it may be incorporated in the CONGRESSIONAL RECORD.

Sincerely,

ALFRED R. MAYS,  
Pastor of the Church.

I have just taken occasion to ascertain whether our distinguished and able colleague the Senator from Colorado [Mr. JOHNSON] is in the Chamber, for the reason that he has been vitally interested in legislation of this character because of his deep concern for the boys who serve in the armed forces of this country at home and overseas.

A similar letter has been received from Rev. J. H. Carroll, pastor of the Phoebus Methodist Church, at Norfolk, Va.

Likewise, I have received a similar letter signed by F. M. Wood, of Norfolk, Va., a similar one signed by Charles N. Johnson, of Norfolk, Va.; a similar one signed by W. C. Clark, of 1716 Hamlin Avenue, Norfolk, Va.; a similar one signed by W. D. Nye, 4709 Colonial Avenue, Norfolk, Va.; a similar one signed by George E. Watson, of 617 Marshall Avenue, Norfolk, Va.; a similar one signed by L. R. Mukens, 2834 Victoria Avenue, Norfolk, Va.; and a similar one signed by R. L. Bulman, 508 Clay Avenue, Norfolk, Va.

I also have a letter from Boykins, Va., under date of April 8, 1942, reading as follows:

DEAR SENATOR REYNOLDS: The congregation present at a union service at the Baptist Church at Boykins, Va., on April 5, requested us, as pastors of the churches represented, to write to you, not personally but officially, as chairman of the Senate Military Affairs Committee.

The congregation present voted to request the Senate of the United States to pass legislation similar to that adopted in 1917, to protect the armed forces of our country from the liquor and vice traffics. The congregation desire that you present their action to the Senate of the United States, and to see that it is incorporated in the CONGRESSIONAL RECORD.

Your attention will oblige.

Yours sincerely,

L. F. CALLAHAN,  
Pastor, Methodist Church, Boykins, Va.

J. FELIX ARNOLD,  
Pastor, Baptist Church, Boykins, Va.

Then, there is a postscript which reads:

Acknowledgment of this communication will be appreciated.

#### COMMUNISTIC INFLUENCES IN PUBLIC SCHOOLS

Mr. President, at this time, appropriate or otherwise, I wish to state that yesterday a report submitted to the Governor of the State of New York asserted that 503 Communist teachers, or teachers under Communist domination, have been found in the educational system of New York City, most of them managing to remain snugly in their berths through indifference or for one reason or another.

The report seems to have been submitted by the Coudert subcommittee to Gov. Herbert H. Lehman and the legislature in Albany, N. Y.

The article from which I now take occasion to read, Mr. President, was published in the columns of the New York Herald Tribune, on the front page, issue of Thursday, April 23, 1942, which is today. The article is headed:

Coudert says city schools shelter Reds.

Coudert's subcommittee lays Communist trend to 503 city teachers.

Accused boards of failing to act.

Charges unfair pressure on Dr. Colligan to quit as president of Hunter.

I assume by the use of the word "Hunter" that Hunter College is meant.

Mr. President, in the minds of some and according to the attitude of some, it is promotive of disunity; indeed it is traitorous for one, during these critical hours, even to make bold to employ the word "communism" in any conversation or in any forum, but I do not so consider it. I believe that American citizens at all times, regardless of circumstances, are not only privileged but it is their bounden and sworn duty to protect their own country and to give to their own country their time and attention before they devote their time and attention or funds to any other country upon the face of the earth.

Mr. President, although it may be considered as traitorous and unpatriotic for me even to mention the word "communism" here today, I shall say now that I have no apology whatever to make to anyone for embracing the present opportunity to speak in defense of and in behalf of our country. I recall that years ago I read somewhere a remark which I shall attempt to quote. I may not quote it correctly, but with at least approximate accuracy. During the trials and black days of the Civil War, Abraham Lincoln said that if ever our Nation shall be destroyed it will be destroyed from within and not from without. Since my early days in school I have recalled that statement. I have likewise felt that if ever our Nation was destroyed it would be destroyed perhaps by enemies engaged in the tactics of boring from within. Particularly now when the eyes of all Americans are cast upon foreign shores, and we, therefore, cannot view with the same clearness the things that are happening upon our own soil is the statement of Lincoln apropos.

Mr. President, despite the fact that in the minds of some and according to the attitude of some, it is traitorous for one even to mention communism at this time, I shall embrace this opportunity to attempt to bring to the attention of this body an isolated case, in a sense, but, nevertheless, one of hundreds of cases which may be pointed to throughout the length and breadth of our land, as indicating that communism is attempting now in America to bore from within. I feel at liberty certainly to bring this instance to the attention of the Senate without being denounced as a traitor, without it being said that I am creating disunity in this country, inasmuch as the Herald Tribune, of the city of New York,



one of the greatest metropolitan newspapers in all the world, which boasts of its tremendous circulation, has been privileged to do so.

In other words, Mr. President, in view of the fact that a great American newspaper has had the audacity to employ even in print the word "communism," I myself feel at liberty to comment upon the article which the Herald Tribune has been so bold as to make publication of. I read from the article, as follows:

The assertion that 503 Communist teachers, or teachers under Communist domination, have been found in the city's education system, most of them managing to remain snugly in their berths through indifference of the Board of Education and the Board of Higher Education, was made yesterday in a 385-page report submitted by the Coudert subcommittee to Gov. Herbert H. Lehman and the Legislature in Albany.

\* Albany, of course, is the capital of the Empire State of this Union.

The report further declared that a majority group of the Board of Higher Education applied extraordinary pressure by undemocratic methods to force the resignation of Dr. Eugene A. Colligan as president of Hunter College, because of a feeling that he was not "a liberal."

By the way, the word "liberal" is in quotation marks.

The resignation was demanded, the report said, by three board members, Ordway Tead, chairman, John T. Flynn, and Lauson H. Stone.

The board of education, which is headed by James Marshall, was particularly censured for failing to take any action in the case of Charles J. Hendley, a teacher in George Washington High School and president of New York Teachers Union, local 5, which was expelled from the American Federation of Teachers. He was characterized as a "utensil of communism" although it was emphasized there has never been any direct proof that he is a Communist.

The subcommittee is part of a joint legislative committee, headed by Assemblyman Herbert A. Rapp, of Genesee, and Senator Frederic A. Coudert, of Manhattan, appointed to investigate public-school systems throughout the State, especially in regard to subversive activities. The subcommittee confined itself to New York City.

I continue to read from the article which I have heretofore mentioned. I respectfully call to the attention of the Members of this body this paragraph, which I emphasize:

"There is no doubt whatever," the report said, "that there are hundreds of Communists and intentional fellow travelers in the school system. Their machinations and conspirative tactics are well known. This committee has exposed 69 individual teachers as Communists by legal evidence. It has in its files information and evidence tending to implicate 434 others, including 96 teachers who signed Communist Party nominating petitions in the year 1939 alone."

That, Senators, was from the report of a committee, I assume, delegated by the proper legislative authorities of the State of New York, and submitted to Governor Lehman, the chief executive of the Empire State. It is not my statement; it is not a hearsay statement given to me; it is a direct statement made by gentlemen of prominence and integrity, duly qualified representatives of the people of the State of New York, in reference to the

inroads being made by communism in the State of New York, which is, of course, one of the greatest States of the Union.

I take occasion to say that it is not my statement because, had it been known by some that I had made that statement instead of reading it from the report of the committee, they would have encouraged the American people not to believe it. They would have said that because I made the statement it should not be believed, since I am the enemy of the Communist Party because I once took occasion to introduce a bill in this body prohibiting any Communist, any Fascist, any Nazi Bundist, or any American who had been deprived of his American citizenship as a result of conviction of a felony, from serving as an officer or as an agent in any labor organization in this country. As a result of the introduction of that proposed legislation, the Communists and their sympathizers in America dislike me very much.

I took occasion to read from the report because once upon a time, not so long ago, I introduced a bill in the Senate providing that the Communist Party in the United States of America should be outlawed, and as a result thereof, of course, the Communists do not like me at all.

It is perfectly natural that the Communists should dislike me because I confess that I am their enemy, and that I have been doing everything I possibly could against the Communists, and I shall continue to do so, regardless of the circumstances. It is natural that they should be against me because when we had before us a certain bill I offered an amendment to the bill to deport one of their members, Mr. Harry Bridges, of the west coast, and I had the backing of the great American Legion in my efforts to bring about the deportation of Mr. Bridges.

But unfortunately the influence of Mr. Bridges and the influence of the Communist Party members outweighed the influence of the American Legion, and as a result, when the matter was brought to the attention of the Congress of the United States, the bill failed of passage, and Mr. Bridges remains with us.

Mr. President, I continue to read the clipping referring to the report of the committee of the Legislature of the State of New York:

The report went on to say that 17 teachers have been convicted in disciplinary proceedings of "perjuringly denying party membership in their testimony before our committee; 18 others have been suspended, of whom 11 are waiting trial; 7 have resigned, and 6 were not reappointed. Our teacher, Morris U. Schappes, was convicted of first-degree perjury.

That is followed by a subheadline, reading as follows:

Says all denied membership.

That is not surprising to me, because I do not believe I have ever heard of anyone admitting membership in and affiliation with the Communist Party, with the exception of Mr. Earl Browder, and Mr. Browder is now in the penitentiary at Atlanta, Ga. Incidentally, in that connection, we all know that virtually every newspaper in the United States has carried advertisements to the effect that

great mass meetings are being held throughout the length and breadth of our land for the purpose of creating sentiment for the release of Mr. Browder, who is the head of the Communist Party in the United States of America. Whether he will be released of course I cannot say, and I would not dare to venture to say that he would not be released, because, despite the pressure brought and the influence of the great American Legion, we were unable to deport Mr. Harry Bridges from this country.

I read the subhead again:

SAYS ALL DENIED MEMBERSHIP

"Yet the fact remains," the report continues, "that in 16 months of inquiry, not one teacher admitted being in the party when he testified.

"This is the most important single fact developed in the investigation."

Time and time again the report refers to the "Communist conspiracy of silence, perjury and subordination"; to the party tactics of enrolling members under fictitious names and to the pretense of not keeping any records of members. This makes evidence extremely difficult to obtain, the subcommittee said, and added: "If a solution is to be found it must be based on a thorough understanding of the Communist movement, its aims, philosophy, and tactics and the methods it employs in attempting to subvert the schools."

The report noted that the law provides no civil penalty for contempt of a legislative committee, as it does for contempt of court, for which offenders may be fined or imprisoned. The most that can be done at present to a witness who refuses to testify before a legislative committee is to commit him until he agrees to testify.

CALLS FOR PENALTIES

"It should not be possible for a subversive organization to cause its members to engage in an organized campaign of mass obstruction and delay," the report declares. "The Supreme Court should be authorized to fix penalties analogous to those which it is empowered to apply in cases involving civil disobedience of its own process.

"The committee is firmly of the belief that the legislature will have occasion to investigate subversive activities again in the future. To fail to enact the legislation above recommended would be to invite further difficulty."

The case of Dr. Colligan was, perhaps, the most spectacular evidence adduced against the majority of the board of higher education.

"Dr. Colligan's qualifications as an able and efficient business administrator were not questioned by any of the members of the board—not even by those who wanted to dispense with his services," the subcommittee asserted. It quoted some board members as saying the antagonism against him was based on dissatisfaction with some of his appointments.

"A more probable theory," the report said, "would appear to be indicated by a concession made by a leading member before the committee that there was a feeling on the part of the more recent appointees on the board that Dr. Colligan's outlook on educational matters was not a 'liberal' one."

THREAT IS CHARGED

The report charged Mr. Tead, Mr. Flynn, and Mr. Stone, representing the majority, summoned Dr. Colligan to a meeting on June 19, 1939, and demanded his resignation, and informed him that "unless he agreed to resign, the salary of the president would be dropped from the budget at a meeting of the Board of Higher Education to be held the following night." Dr. Colligan, it was further



charged, was threatened with the loss of his pension unless he resigned.

Under this pressure, the report said, Dr. Colligan appeared with a letter of resignation the next day. It was not acceptable, whereupon Mr. Flynn, according to the report, went to another room and prepared Dr. Colligan's letter of resignation on grounds of illness. The letter, the report said, was postdated November 1, 1939, and the resignation was to take effect September 1, 1940.

Mr. Tead meanwhile had written a letter of instruction to Dr. Colligan, the report said, telling him to apply for a leave of absence for 1 year, from September 1, 1939, to September 1, 1940, and assuring him it would be granted. At the same time Mr. Tead ordered Dr. Colligan to submit the post-dated resignation.

The Colligan case was never brought formally before a full meeting of the board, the report said, until these preliminary arrangements had been made. The report said that Mr. Tead, Mr. Flynn, and Mr. Stone explained that they had been asked by Dr. Colligan to withhold from members of the board how his resignation had been brought about. It added: "The making of any such request is denied by Dr. Colligan."

#### FLYNN REPLIES TO CHARGE

This and other parts of the report brought immediate repercussions last night. Mr. Flynn, reached at his home at 35-01 Edgewater View, Bayside, Queens, emphasizing that he was speaking for himself alone, said:

"A majority of the members of the board believed Dr. Colligan should not be reappointed. I joined in that belief. What should the board have done? Throw Dr. Colligan out? Brand him? Or tell him in a civilized way what the attitude of the board was? That is what we did. He did not have to resign. He could have submitted the matter to the board, which would have ousted him.

"He chose the way which was least harmful to his reputation. The reason back of our action was not that Dr. Colligan was not a liberal. The chief reason was that he did not possess the intellectual qualifications to administer a great college and provide it with educational leadership.

"The charge that Dr. Colligan was threatened with loss of his pension is absolutely untrue. He was told specifically that the members of the board who opposed reappointing him had not wished to deprive him of his pension rights in any way.

"I notice Senator Coudert says I wrote the letter of resignation for Dr. Colligan and assigned ill health as the cause. As a matter of fact, Dr. Colligan asked that he be permitted to assign ill health as a reason. That was his own idea."

Mr. Stone declined to comment and Mr. Tead was in Boston on business.

#### DR. LOMBARDO'S PROTEST

In support of Dr. Colligan was Dr. Lombardo, of 7601 Twelfth Avenue, Brooklyn, one of the six members of the board who refrained from voting on the acceptance of the resignation. He characterized the background moves of the resignation as "unprecedented action of individual board members, acting in concert without the knowledge of any of the membership, and without any implied or specific authorization or any vote of the board."

The procedure, Dr. Lombardo said, was "arbitrary, high-handed, and undemocratic in many ways" and was "predicated on a deliberate falsehood, involving a so-called leave of absence for illness, which was followed in short order by a 'voluntary' resignation." Dr. Lombardo said his own requests for an explanation were received in "stony silence, indicative of a craven disregard not only of the rights of Dr. Colligan but also of the rights of each member of the board."

#### ABOUT BROOKLYN COLLEGE

Regarding Brooklyn College, of which Dr. Harry D. Gideonse is president, the report said that "evidence in the committee's possession, but not publicly presented, leads the committee to believe that the Brooklyn College unit (of the Communist Party) comprised not less than 30 members of the faculty and the administrative staff. Each of the individuals identified was questioned in private, and each denied any knowledge of membership in the party. The committee is persuaded that most, if not all, of these denials were perjurious."

To this Dr. Gideonse replied last night: "I challenge anybody to bring in legal evidence we can use against Communists at Brooklyn College. I believe the committee is performing a great disservice to the community and to the school system if it raises charges it cannot prove in a court of law. No one is more eager to get at the true facts than I. Unless the committee can produce results, it should remain silent."

President Marshall, and other members of the board of education who were reached, declined to comment on the charges of negligence in the Hendley affair and of adopting a passive and "dangerous attitude."

In conclusion, this is the statement of Mr. Hendley from the office of the Teachers' Union:

#### HENDLEY STATEMENT

From the offices of the Teachers' Union, 13 Astor Place, Mr. Hendley issued a statement, which said: "Senator Coudert has not presented one case of subversive activity. In all the cases of the teachers who were suspended there was no evidence of anything subversive in their teaching."

Mr. Hendley denies absolutely any communistic activity. He further states:

Moreover, Coudert was blind to all the pro-Fascist activity of the Coughlinites and the Christian Front that impinges upon the schools. I charge that Coudert is unwilling to investigate really subversive activity.

In this connection I wish to say that when communistic activity is alleged, and when a fight is made against the Communists, regardless of who the individual is who makes the fight, their only excuse and their only weapon is to say that the man who makes the charges is blind because he himself is a pro-Nazi or a pro-Fascist.

The statement concludes:

The Teachers' Union is engrossed in its effort to do its share in winning this war. Coudert's charge that the union is dominated by Communists who are engaged in subversive activity is just plain political hokum which is being exploited at a time to prevent us from the real business at hand for all loyal Americans.

The article concludes with a statement in regard to an appropriation for the committee.

#### SIXTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION

The Senate resumed the consideration of the amendments of the House of Representatives to certain amendments of the Senate to the bill (H. R. 6868) making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

Mr. BARKLEY. Mr. President, getting back to the question before the Senate I wish to inquire of the Senator from Tennessee [Mr. McKellar] with respect

to Senate amendments numbered 71 and 72, relating to the Conciliation Service of the Department of Labor. It seems to me that there is no more important function to be performed right now than the services of this body of men under Dr. Steelman, head of the Conciliation Service in the Department of Labor. The House provided an appropriation of \$76,500, which was increased by the Senate to \$226,500, or an increase of \$150,000, because the Conciliation Service of the Department of Labor now has about 1,200 disputes to handle. That does not mean strikes. It means disputes of all sorts which are sought to be settled by conciliation and negotiation. The Conciliation Service has only 120 men to handle the 1,200 disputes. The Senate committee—very properly, I think—added \$150,000 to the appropriation, which made the total appropriation \$226,500. It seems that the conferees simply divided that amount in half, which I suppose was an arbitrary way of arriving at some figure, and reported \$113,250, which is precisely half of \$226,500, and only \$35,000 or \$40,000 more than the amount allowed by the House. Can the Senator tell me why it was that the amount was reduced so materially, in view of the great need?

Mr. McKELLAR. In the conference the House conferees were apparently unanimous as to two items. One was the item immediately preceding, of \$90,000, for the Department of Labor. They objected strenuously to it, and at first would not even listen to any compromise. The only way in which we could obtain a compromise on the second item was for the Senate to yield on the first item. The Senate yielded on the first item, and the best we could possibly get from the House in conference was half of the \$226,500 which the Senate had provided.

I agree with the Senator from Kentucky that these items are necessary, but we met with the firmest kind of opposition. Under the circumstances there was no other way to settle the question than the way in which we settled it. I want the Senator to understand that the Senate conferees stood out strongly for the items as adopted by the Senate.

Mr. BARKLEY. I realize the Senate conferees' situation, but I cannot help but express my regret that it was necessary to reduce the amount.

Mr. McKELLAR. I also regret it.

Mr. BARKLEY. In the first place, the subcommittee of the House Appropriations Committee agreed to the amount as it was fixed by the Senate, and the members of the subcommittee of the House Appropriations Committee composed the House conferees on this bill. The amount was reduced by the full committee of the House after the subcommittee had agreed to the amount of \$226,500. In view of the fact that the same members of the subcommittee who originally agreed to it in the House were members of the conference committee, I am frankly a little surprised that they insisted on the reduction.

Mr. McKELLAR. They not only insisted, but they insisted most strenuously.



Mr. BARKLEY. I appreciate the situation. I realize that the Senate conferees had to make some compromise. However, in view of all the controversy and the furor which has been in the public mind recently in regard to the settlement of disputes in labor organizations and between laboring men and their employers under the aegis of the Government of the United States, which has by law sought to encourage conciliation and arbitration and negotiation as a means of settling labor disputes in order that they may not result in the cessation of labor, and in view of the fine work which has been accomplished by the Conciliation Service of the Department of Labor, I regret, and I want to express my regret, that I am afraid that acting under the influence of the furor about which I have just spoken, the Members of the other body were not willing to give to the Conciliation Service the appropriation which is so essential at this time to enable them to have the number of conciliators necessary in order to settle these disputes amicably to the satisfaction of all parties concerned.

I thank the Senator from Tennessee and the Appropriations Committee of the Senate for including this item when the bill came to the Senate recently, and for the Senator's efforts in behalf of it now; but I think it is regrettable that the House compelled the Senate to yield so substantial a part of the appropriation we provided for this essential service.

Mr. McKELLAR. Mr. President, I agree with the Senator. All I can say is that we got the best we could. That is all there is to it. All of us know the situation in conference committees—we have to give and take.

Mr. President, in order to complete the parliamentary progress of the bill under consideration, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 4, 21, 45, 74, and 79.

The motion was agreed to.

Mr. McKELLAR. Mr. President, still further to complete the parliamentary progress of the bill, I move that the Senate recede from its amendment numbered 68.

The motion was agreed to.

Mr. McKELLAR. I believe that completes the bill.

Mr. President, I understand that when the Senate adjourns today it will adjourn over until Monday. I therefore ask unanimous consent that the Vice President may be permitted to sign the bill during the recess of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. WALSH subsequently said: Mr. President, I intended to obtain the floor before the conference report was passed upon, merely for the purpose of having inserted in the record of the debate a tentative amendment dealing with the question of profits pending before the Senate Committee on Naval Affairs. The debate has very extensively covered the subject of the manner in which excess profits shall be dealt with, especially in the case of war contracts. While the tentative amendment has not been passed upon by the Treasury Department, so far

as I know it is acceptable to them, since it was drafted by them at the request of the Committee on Naval Affairs.

I ask unanimous consent to have the amendment printed in the RECORD in connection with the debate, for the purpose of examination and study by the Members of the Senate.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

The Internal Revenue Code is amended by inserting after subchapter E of chapter 1 the following new subchapter:

**"SUBCHAPTER F—INCOME FROM GOVERNMENT CONTRACTS**

**"SEC. 770. IMPOSITION OF TAX**

"(a) Imposition: There shall be levied, collected, and paid for each taxable year beginning after December 31, 1941, on the net income of every person which is derived from Government contracts completed within the taxable year, a tax equal to 100 percent of the amount of such net income which is in excess of — percent of the total contract prices of such contracts. For the purposes of this section, net income derived from such contracts which is in excess of — percent of the cost of performing such contracts shall be considered to be net income in excess of — percent of the total contract prices of such contracts.

"(b) Contracts exempt: Subsection (a) shall not apply in any case in which the total contract prices of Government contracts completed within the taxable year do not exceed \$25,000.

**"SEC. 771. MEANING OF TERMS USED**

"(a) General rule: Except as otherwise provided in this section, the terms used in this subchapter shall have the same meaning as when used in chapter 1.

"(b) Government contract: As used in this subchapter, the term 'Government contract' means—

"(1) Prime contract: A contract with the United States for the design, survey, production, manufacture, processing, assembly, construction, reconstruction, erection, installation, maintenance, storage, repair, alteration, conversion, distribution, supply, or acquisition by the taxpayer of any article or any portion thereof, and any contract with the United States entered into by the United States pursuant to an act to promote the defense of the United States; and

"(2) Subcontract: A contract entered into with a prime contractor for the design, survey, production, manufacture, processing, assembly, construction, reconstruction, erection, installation, maintenance, storage, repair, alteration, conversion, distribution, supply, or acquisition of any article, or any portion thereof, other than an article or portion thereof which, as determined under regulations prescribed by the Commissioner with the approval of the Secretary, is (A) not owned by the United States, (B) not acquired by the United States under a contract with the United States, (C) not for the use of the United States, and (D) not paid for by the United States pursuant to a contract with the prime contractor.

"(c) Prime contractor: As used in this section, the term 'prime contractor' means a person entering into a contract with the United States.

**"SEC. 772. DETERMINATION OF NET INCOME FROM GOVERNMENT CONTRACTS**

"For the purpose of determining the net income derived from Government contracts completed by a person within any taxable year—

"(a) General rule: There shall be allowed the deductions which are provided for in section 23 and which are allowable to such person for the periods of performance of such contracts, but such deductions shall be al-

lowed only to the extent that they represent items connected with income derived from, and necessary for the performance of, such Government contracts; and

"(b) Allocation of costs: The proper method of apportionment and allocation of deductions to gross income derived from Government contracts and to other gross income shall be determined under regulations prescribed by the Commissioner with the approval of the Secretary.

**"SEC. 773. RETURNS**

"Every person subject to the tax imposed by section 770 shall, for each taxable year in which one or more Government contracts are completed, make a return stating specifically the total contract prices of such contracts, the amount of gross income derived therefrom (regardless of the taxable year in which received), and the deductions allowed with respect to such gross income, and such other information for the purpose of carrying out the provisions of this subchapter as the Commissioner, with the approval of the Secretary, may by regulations prescribe.

**"SEC. 774. REFUNDS AND CREDITS**

"Such portion of any other tax under the Internal Revenue Code as is attributable to the inclusion in gross income of the amount of tax required to be paid under section 770 shall be credited or refunded to the taxpayer in the same manner as an overpayment of such other tax.

**"SEC. 775. ADMINISTRATIVE PROVISIONS**

"All provisions of law (including penalties) applicable in respect of the taxes imposed by chapter 1 shall, insofar as not inconsistent with this subchapter, be applicable in respect to the tax imposed by this subchapter."

**APPROPRIATIONS FOR CIVIL FUNCTIONS OF WAR DEPARTMENT—CONFERENCE REPORT**

Mr. THOMAS of Oklahoma submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6736) making appropriations for the fiscal year ending June 30, 1943, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 3, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "without the specific approval of the Secretary of War"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 2.

ELMER THOMAS,  
CARL HAYDEN,  
JOHN H. OVERTON,  
RICHARD B. RUSSELL,  
JOSIAH W. BAILEY,  
ROBT. R. REYNOLDS,

*Managers on the part of the Senate.*

J. BUELL SNYDER,  
D. D. TERRY (except  
as to Bull Shoal  
and Table Rock  
Reservoir projects),  
JOE STARNES,  
ROSS A. COLLINS,  
GEORGE MAHON,  
D. LANE POWERS,  
ALBERT J. ENGEL,  
FRANCIS CASE,

*Managers on the part of the House.*











[PUBLIC LAW 528—77TH CONGRESS]

[CHAPTER 247—2D SESSION]

[H. R. 6868]

AN ACT

Making additional appropriations for the national defense for the fiscal year ending June 30, 1942, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the national defense for the fiscal year ending June 30, 1942, and for other purposes, namely:

## TITLE I—WAR DEPARTMENT

For additional amounts for appropriations for the Military Establishment, fiscal year 1942, which, together with the unexpended balances remaining under all appropriations for the Military Establishment for the fiscal years 1940 and 1941, shall be supplemental to, merged with, and become a part of, the appropriations under the respective heads in the Military Appropriation Act, 1942, as amended by Acts supplemental thereto, including the objects and subject to the limitations and conditions specified under said heads, respectively, in those Acts, except as otherwise provided herein; and such appropriations heretofore and herein made shall remain available until June 30, 1943, for the purposes of such appropriations and for carrying out the provisions of Executive Order Numbered 9112 of March 26, 1942, including obligations chargeable against appropriations for the Military Establishment for the respective purposes of said appropriations for the fiscal years 1940 and 1941, as follows:

### MILITARY ACTIVITIES

#### CONTINGENCIES OF THE ARMY

For contingencies of the Army, including necessary personal services and the purchase of lawbooks, professional books of reference and subscriptions to newspapers and periodicals, and such other expenses as may be necessary, and payments from this appropriation may, in the discretion of the Secretary of War, be made on his certificate that the expenditures were necessary for confidential military purposes, \$1,578,180.

#### FINANCE DEPARTMENT

##### FINANCE SERVICE, ARMY

Pay of the Army: For pay of the Army of the United States, including the pay of members of the Army Specialist Corps appointed subject to the approval of the War Department Personnel

Board, \$327,331,562: *Provided*, That members of such corps who are assigned to the supply services of the Army may be paid from the appropriations for the work upon which they are engaged: *Provided further*, That no part of this appropriation shall be available to pay the salary of any member of such corps at a rate in excess of \$4,500 per annum unless such member is appointed by the President, by and with the advice and consent of the Senate.

Travel of the Army: For travel of the Army, including authorized transportation of persons discharged for fraudulent enlistment, and including rental of camp sites and the local procurement of communication service, fuel and water, and other necessary supplies and services incident to troop movements, \$92,200,000: *Provided*, That from the date of the approval of this Act to June 30, 1943, the Secretary of War, in prescribing per diem rates of allowance, not exceeding \$6, in lieu of subsistence, for officers and warrant officers of the Army of the United States traveling on official business and away from their designated posts of duty, pursuant to the first paragraph of section 12 of the Act approved June 10, 1922 (42 Stat. 631), as amended, is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to such officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders: *Provided further*, That until June 30, 1943, the dependents and household effects of such military and civilian personnel in and under the Military Establishment on duty at stations outside the continental limits of the United States or in Alaska, as may be determined upon by the Secretary of War, may, prior to the issuance of orders for the relief of such personnel from their stations, be moved (including packing and unpacking of household effects) to such locations as may be selected by the Secretary of War, by the use of either Government or commercial means of transportation, and later from such locations to the duty stations to which such personnel may be ordered, and current appropriations of the Military Establishment available for travel and transportation may be used for this purpose, the decision of the Secretary of War to be final as to the dependency of any individual sought to be affected by this provision except as to travel hereafter performed subsequent to arrival in the United States; and movements of this character heretofore effected and payments made or to be made therefor are validated.

Apprehension of deserters: Funds appropriated under this title may be used to pay donations of not to exceed \$10 each to persons discharged for fraudulent enlistment as authorized by law.

Finance Service: For Finance Service, \$2,165,000.

In all, \$421,696,562: *Provided*, That all funds heretofore and herein appropriated for the fiscal year 1942, under the titles "Pay of the Army", "Travel of the Army", "Expenses of courts martial", "Apprehension of deserters, and so forth", "Finance Service", "Claims for damages to and loss of private property", and "Claims of officers, enlisted men, and nurses of the Army for destruction of private property" shall be disbursed and accounted for as one fund under the appropriation title "Finance Service, Army".



## QUARTERMASTER CORPS

## QUARTERMASTER SERVICE, ARMY

Subsistence of the Army: For subsistence of the Army, \$323,006,000.

Regular supplies of the Army: For regular supplies of the Army, including warehouse and fuel-handling equipment, \$80,481,000.

Clothing and equipage: For clothing and equipage, \$62,804,277.

Incidental expenses of the Army: For incidental expenses of the Army, including supplies, services, and other expenses essential in conducting instruction of the Army in tank-destroyer activities, \$83,807,000.

Army transportation: For Army transportation, \$777,912,000, which shall be available for the direct charter of vessels in emergency situations.

Welfare of enlisted men: For welfare of enlisted men, \$5,715,000.

In all, \$1,333,725,277.

## SIGNAL CORPS

## SIGNAL SERVICE OF THE ARMY

For Signal Service of the Army, \$748,149,000.

## AIR CORPS

## AIR CORPS, ARMY

For Air Corps, Army, \$8,515,861,251.

## MEDICAL DEPARTMENT

## ARMY

## MEDICAL AND HOSPITAL DEPARTMENT

For Medical and Hospital Department, Army, including hospital care of Canal Zone garrisons, and for necessary medical care and treatment in private hospitals of military personnel whether on duty or on furlough or leave of absence except when elective medical treatment has been obtained by military personnel in civilian hospitals or from civilian physicians or dentists, \$151,240,000.

## CORPS OF ENGINEERS

## ENGINEER SERVICE, ARMY

Engineer Service, Army: For Engineer Service, Army, \$31,510,000.

Military construction, defense installations: For military construction, defense installations, \$866,165,600.

Military posts: For construction of buildings, utilities, and appurtenances at military posts, \$4,358,118,283.

Barracks and quarters: For barracks and quarters, \$49,595,000.

Construction and repair of hospitals: For construction and repair of hospitals, \$775,000.

In all, \$5,306,163,883.

## ORDNANCE DEPARTMENT

### ORDNANCE SERVICE AND SUPPLIES, ARMY

For ordnance service and supplies, Army, \$543,721,283.

#### REPAIRS OF ARSENALS

For repairs of arsenals, Army, \$4,500,000.

In all, \$548,221,283.

## CHEMICAL WARFARE SERVICE

For Chemical Warfare Service, Army, \$367,366,311.

### SPECIAL SERVICE SCHOOLS

Infantry School: For Infantry School, Fort Benning, Georgia, \$97,389.

Cavalry activities: For instruction in Cavalry activities, \$3,200.

Field Artillery activities: For instruction in Field Artillery activities, \$63,786.

Coast Artillery activities: For instruction in Coast Artillery activities, including anti-aircraft and barrage balloon activities, \$1,625.

In all, \$166,000: *Provided*, That all funds heretofore and herein appropriated for the fiscal year 1942 under the titles "Infantry School, Fort Benning, Georgia", "Instruction in Cavalry activities", "Instruction in Field Artillery activities", and "Coast Artillery School, Fort Monroe, Virginia", shall be disbursed and accounted for as one fund under the title "Special service schools".

## ARMORED FORCE

### INSTRUCTION IN ARMORED FORCE ACTIVITIES

For instruction in Armored Force activities, \$152,016.

## UNITED STATES MILITARY ACADEMY

### MAINTENANCE AND OPERATION, UNITED STATES MILITARY ACADEMY

Maintenance and operation, United States Military Academy, \$357,580.

### GENERAL PROVISIONS

SEC. 101. Limitations on appropriations heretofore and herein enacted and available for obligation during the fiscal years 1942 and 1943, which prohibit the payment of persons who are not citizens of the United States, shall not apply to military personnel.

SEC. 102. Under appropriations available to the Military Establishment, the Secretary of War is authorized to effect appointments



of employees in the United States, or to effect the transfer of employees in the Federal service in the United States, for duty at any point outside the continental limits of the United States or in Alaska at which it may be found necessary to assign such civilian employees, and to pay the costs of transportation of such employees from place of engagement in the United States, or from present post of duty in the United States, in the case of those employees already in the service of the United States, to the post of duty outside the United States or in Alaska, and return upon completion of assignment or after such period of service as may be prescribed by the head of the Department; to provide for the shipment of personal effects of persons so appointed or transferred from place of engagement or from present post of duty in the United States to the post of duty outside the continental United States or in Alaska.

SEC. 103. Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense articles procured from funds appropriated in this title, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$2,220,000,000: *Provided further*, That the term "defense article" as used herein shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.

SEC. 104. This title may be cited as "Title VI, Military Appropriation Act, 1942".

## TITLE II—NAVY DEPARTMENT

For additional amounts for appropriations for the Navy Department and the naval service, fiscal year 1942, to be supplemental and additional to the appropriations and funds in the Naval Appropriation Act for the fiscal year 1942, including the objects and subject to the limitations and conditions specified under the respective headings and subject to the provisions under the heading "General Provisions" contained in said Act, except as otherwise provided herein, as follows:

### NAVAL ESTABLISHMENT

#### OFFICE OF THE SECRETARY

##### MISCELLANEOUS EXPENSES

The provisions under this heading in the Naval Appropriation Act, 1942, as amended, and in the Naval Appropriation Act, 1943, limiting the number of civilian officers and employees who may be employed in the Navy Department proper, at Washington, are hereby amended, respectively, by increasing such number to twenty thousand, and the Secretary of the Navy is authorized to employ one additional employee at a per annum salary rate in excess of \$5,000, but not in excess of the appropriate rate established in accordance with the Classification Act of 1923, as amended: *Provided*, That section 304

of the Second Deficiency Appropriation Act, 1941, shall not apply to citizens of the Commonwealth of the Philippines from and including the date of approval of such Act, and the Secretary of the Navy is authorized to make payments for services rendered by such citizens during the fiscal year 1942 out of the applicable appropriations.

#### CONTINGENT, NAVY

Contingent, Navy, \$130,000.

#### NAVAL PRISON FARMS AND PRISON PERSONNEL

Naval Prison Farms and Prison Personnel, without regard to the existing expenditure limitation, \$8,000.

### BUREAU OF NAVIGATION

#### TRAINING, EDUCATION, AND WELFARE, NAVY

Funds appropriated under the heading "Welfare and recreation" shall be available for the hire and use of buildings, grounds, services, facilities, and subsistence for rehabilitation and recuperation of naval personnel returned from war service at sea or on shore beyond the continental limits of the United States, including Alaska, the Canal Zone, and insular possessions.

### BUREAU OF SHIPS

#### MAINTENANCE, BUREAU OF SHIPS

Maintenance, Bureau of Ships: The appropriations under this head for the fiscal years 1942 and 1943 shall be available for repairs, conversions, and restorations on nonnaval vessels operated for naval requirements; and for the accomplishment of the purposes authorized by Public Law 280, approved October 24, 1941, amended by Public Law 446, approved February 10, 1942.

### BUREAU OF ORDNANCE

#### ORDNANCE AND ORDNANCE STORES, NAVY

Ordnance and ordnance stores, Navy, \$183,692,000.

### BUREAU OF SUPPLIES AND ACCOUNTS

#### PAY, SUBSISTENCE, AND TRANSPORTATION OF NAVAL PERSONNEL

The number of officers above the rank of captain, who may receive flight pay during the fiscal year 1942, is increased from nine to twenty-three: *Provided*, That flight orders and the right to flight pay as to those officers above the rank of captain not now entitled to flight pay shall be subject to the conditions prescribed in the Naval Appropriation Act, 1943.



## BUREAU OF YARDS AND DOCKS

Maintenance, Bureau of Yards and Docks, \$9,000,000.

Public Works, Bureau of Yards and Docks: For public works and public utilities, Bureau of Yards and Docks, including the acquisition of necessary land, \$800,000,000, which, together with the unexpended balances of appropriations heretofore made under this head, shall be finally accounted for as one fund, which fund shall be available for continuing or completing the construction of any project heretofore authorized or undertaken thereunder, for acquisition or construction of temporary or emergency buildings and facilities at localities within or without the United States, needed by the Navy and specifically approved by the Secretary of the Navy, including collateral public works items and other expenses: *Provided*, That contracts for work under this appropriation may be entered into without regard to the provisions of section 3709, Revised Statutes: *Provided further*, That the approximate cost of classes of projects under such sum of \$800,000,000 shall be as follows: Fleet facilities, \$4,000,000; aviation facilities, \$168,780,000; lighter-than-air program, \$25,000,000; storage facilities, \$119,000,000; liquid fuel storage, \$100,000,000; Marine Corps training facilities, \$20,000,000; ordnance storage facilities, \$150,000,000; personnel training and housing facilities, \$100,000,000; hospital and dispensary facilities, \$40,500,000; shore radio facilities, \$11,000,000; Naval Research Laboratory, \$720,000; miscellaneous structures, \$25,000,000; floating drydock program, \$36,000,000: *Provided further*, That the approximate cost indicated for each such class may, in the discretion of the Secretary of the Navy, be varied upward or downward but the total cost shall not exceed \$800,000,000.

No part of the appropriations in this Act under the Navy Department shall be expended for a permanent type of construction at any shore establishment of any character acquired subsequently to the calendar year 1938, unless such establishment shall be designated by the Secretary of the Navy as a permanent establishment, and, in that event, a permanent type of construction shall be used only to meet such permanent requirements as the Secretary of the Navy may approve: *Provided*, That nothing herein shall prevent construction of a type sufficiently substantial for the use intended nor apply to construction projects now under contract or in progress: *Provided further*, That no part of such appropriations may be obligated for the construction of quarters, including heating and plumbing apparatus, wiring and fixtures, for greater amounts per unit than follow:

Permanent construction:

For commissioned officer, \$10,000.

For commissioned warrant or warrant officer, \$7,500.

For enlisted man, \$6,000.

Temporary construction:

For commissioned officer, \$7,500.

For commissioned warrant or warrant officer, \$5,000.

For enlisted man, \$3,500.

The fixed fee to be paid the contractor as a result of any contract hereafter entered into under this appropriation shall not exceed 6 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of the Navy.

## BUREAU OF AERONAUTICS

## AVIATION, NAVY

Aviation, Navy, including not to exceed \$220,000,000 for expansion of and facilities in public or private plants and for expediting the production of naval aircraft, equipment, parts and accessories, \$464,827,500: *Provided*, That the funds appropriated under this head for the fiscal years 1942 and 1943 shall be available for outfits for aviation messes at air stations or elsewhere.

## MARINE CORPS

## PAY, MARINE CORPS

Pay of enlisted men, active list, \$4,756,000.

## GENERAL EXPENSES, MARINE CORPS

For provisions, subsistence, and so forth, \$5,495,000;

For transportation of troops, and so forth, \$2,220,000;

For miscellaneous supplies and expenses, \$1,680,000;

In all, to be accounted for as one fund, \$9,395,000: *Provided*, That the appropriations under this heading for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to Marines given discharges for bad conduct, undesirability, unfitness, or inaptitude.

## INCREASE AND REPLACEMENT OF NAVAL VESSELS

Armor, armament, and ammunition: The Secretary of the Navy is hereby authorized to enter into contracts, in addition to existing appropriations therefor, for tools, equipment, and facilities in and land for public and private plants for the manufacture or production of ordnance material, munitions, and armor, and for the protection of private plants, in an amount of \$100,000,000, the total amount authorized in this and prior Acts for such purposes being \$595,000,000.

## REPAIR FACILITIES, NAVY

Repair facilities, Navy: The Secretary of the Navy is hereby authorized to enter into contracts, in addition to existing appropriations, therefor, for repair facilities in the amount of \$25,000,000.

## COAST GUARD

General expenses, Coast Guard, \$1,543,000: *Provided*, That existing limitations upon amounts that may be used by the Coast Guard during the fiscal years 1942 and 1943 for purchase, exchange, maintenance, operation, and repair of motor-propelled passenger-carrying vehicles are hereby suspended.

Construction of vessels and shore facilities, Coast Guard, including rental of shore facilities for temporary use, \$21,400,000.



Maritime training fund, Coast Guard: For the purchase of training ships for merchant marine personnel, \$5,000,000.

Appropriations under the Coast Guard for the fiscal years 1942 and 1943 shall be available for the purchase of civilian clothing, including an overcoat when necessary, the cost of all not to exceed \$25 per man, to be issued when necessary to members of the Coast Guard given discharges for bad conduct, undesirability, unfitness, or inaptitude.

#### NAVAL EMERGENCY FUND

Naval emergency fund, including naval objects and purposes other than personal services, whether or not provided for under other naval appropriations, which the Secretary of the Navy may deem essential to the war effort, to remain available until June 30, 1943, \$10,000,000.

#### GENERAL PROVISIONS

SEC. 201. Whenever the President deems it to be in the interest of national defense he may authorize the Secretary of the Navy to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense articles procured from funds appropriated in this title, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$18,000,000: *Provided further*, That the term "defense article" as used herein shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services: *Provided further*, That the limitation of \$2,500,000,000 established in section 301 of the Act of February 7, 1942 (Public Law 441), shall apply to all appropriations made to the Navy Department since March 11, 1941.

SEC. 202. The appropriations of the Navy Department for the fiscal years 1942 and 1943 shall be available to carry out the provisions of Executive Order Numbered 9112 of March 26, 1942.

SEC. 203. This title may be cited as "Title VII, Naval Appropriation Act, 1942".

### TITLE III—GENERAL APPROPRIATIONS

#### LEGISLATIVE

##### SENATE

The unobligated balance of the appropriation for expenses of inquiries and investigations ordered by the Senate, contingent fund of the Senate, for the fiscal year 1942, is reappropriated and made available for the fiscal year 1943.

The unobligated balance of the appropriation for folding speeches and pamphlets at a rate not exceeding \$1 per thousand, contingent fund of the Senate, for the fiscal year 1942, is reappropriated and made available for the fiscal year 1943.

## HOUSE OF REPRESENTATIVES

Contingent expenses: The appropriations for the fiscal years 1942 and 1943 for folding speeches and pamphlets shall also be available, in addition to the rate of compensation specified therein, for employment of personnel at a rate not to exceed \$4 per day per person; and as to such appropriation for the fiscal year 1942, such latter rate shall be effective March 23, 1942.

## ARCHITECT OF THE CAPITOL

Capitol Power Plant: For an additional amount for lighting, heating, and power for the Capitol, Senate and House Office Buildings, Supreme Court Building, Congressional Library Buildings, and so forth, including the objects specified under this head in the Legislative Branch Appropriation Act, 1942, \$59,847.

## THE JUDICIARY

## SUPREME COURT OF THE UNITED STATES

Preparation of Rules for Civil Procedure: For all expenses of the Supreme Court of the United States to provide for expenses of the committee designated by the Court as a continuing advisory committee to advise the Court with respect to proposed amendments or additions to the rules of Civil Procedure for the District Courts of the United States pursuant to the Act entitled "An Act to give the Supreme Court of the United States authority to make and publish Rules in Actions at Law", approved June 19, 1934, including personal services in the District of Columbia and elsewhere and printing and binding, to be expended as the Chief Justice in his discretion may direct, including such per diem allowances in lieu of actual expenses for subsistence at rates to be fixed by him not to exceed \$10 per day, fiscal years 1942 and 1943, \$15,800.

## EXECUTIVE OFFICE OF THE PRESIDENT

## BUREAU OF THE BUDGET

The salary of the Assistant Director of the Bureau of the Budget shall be at the rate of \$10,000 per annum after the date of the enactment of this Act.

## INDEPENDENT EXECUTIVE AGENCIES

## CIVIL SERVICE COMMISSION

National defense activities: For an additional amount for national defense activities, fiscal year 1942, including the objects specified under this heading in the Independent Offices Appropriation Act, 1942, \$800,000.



## FEDERAL SECURITY AGENCY

## OFFICE OF EDUCATION

Education and training, defense workers (national defense): For an additional amount for payments to States, and so forth (national defense), fiscal year 1942, for the cost of short courses of college grade, as provided in paragraph (3) under this head in the Federal Security Agency Appropriation Act, 1942, \$3,000,000.

The appropriation made by paragraph "(1)" under the heading "Education and training, defense workers (national defense)" in the Federal Security Agency Appropriation Act, 1942, shall also be available for the cost of vocational courses (either by classes or by individuals) of less than college grade in private vocational schools (regardless of tax liability) and in other private facilities where equipment for training is available.

## SOCIAL SECURITY BOARD

Grants to States for old-age assistance: For an additional amount for grants to States for old-age assistance, subject to the conditions specified under this heading in the Federal Security Agency Appropriation Act, 1942, \$30,000,000.

Grants to States for unemployment compensation administration: For an additional amount, fiscal year 1942, for unemployment compensation administration, including grants to States, \$10,000,000, which, together with the appropriation under this heading in the Federal Security Agency Appropriation Act, 1942, shall be available, in addition to the objects specified under said heading, for the administration by the Social Security Board of public employment offices in the various States, including printing and binding and the transfer of household goods and effects, as provided in the Act of October 10, 1940: *Provided*, That the Federal Security Administrator may delegate to such officers or employees as he may designate for the purpose all authority in connection with the transfer of personnel and household goods and effects from one official station to another.

## PUBLIC HEALTH SERVICE

Pay of personnel and maintenance of hospitals: For an additional amount, fiscal year 1942, for pay of personnel and maintenance of hospitals, including the objects and subject to the limitations specified under this head in the Federal Security Agency Appropriation Act, 1942, \$453,000.

## SAINT ELIZABETH'S HOSPITAL

Continuous-treatment buildings: For an additional amount for the completion of construction and equipment, in the grounds of the hospital, of two continuous-treatment buildings, \$200,000, to remain available until completion of said work.

## FEDERAL WORKS AGENCY

National Bureau of Standards, additional facilities, Washington, District of Columbia: For the construction of a service building and

a second story on the existing radio laboratory building on the grounds of the National Bureau of Standards, Washington, District of Columbia, including all administrative expenses in connection therewith, \$280,000.

Emergency safeguarding of public buildings and property: To enable the Public Buildings Administration, independently or in cooperation with other agencies of the Government, without regard to sections 3709 and 355 of the Revised Statutes and section 322 of the Act of June 30, 1932, to provide for the emergency safeguarding from subversive hostile acts and overt acts of aggression or depredation of the following: (1) Federal buildings and leased quarters wholly occupied by the Government, regardless of location, jurisdiction, and control (except those under the control of the War and Navy Departments); (2) administrative buildings of the government of the District of Columbia; (3) utilities, not otherwise protected, that are necessary for the operation of such buildings; and (4) records, valuable materials, and other property of the United States, and all expenses incident to the foregoing including the construction or rental of buildings and other facilities for storage purposes within and outside the District of Columbia and the purchase or rental of land therefor, the remodeling of such buildings necessary for the protection of records, valuable materials, and other property, and the extension and protection, not otherwise provided, of Government-owned utilities, and for all expenses incident to the foregoing, including the purchase of materials, equipment, and apparatus, and repairs, construction or reconstruction of buildings damaged by such subversive or overt acts; personal services in the District of Columbia and elsewhere without regard to the civil-service or classification laws, \$12,500,000, to remain available during the existence of the emergency declared by the President May 27, 1941, of which amount not exceeding \$350,000 may be used for administrative expenses: *Provided*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used, but this proviso shall not be construed to prevent the use of a cost-plus-a-fixed-fee form of contract: *Provided further*, That codes developed as guides for the accomplishment of the purposes hereof shall be subject to the approval of the Federal Works Administrator: *Provided further*, That activities with respect to subversive hostile acts shall be coordinated with the facility security program of the Office of Civilian Defense: *Provided further*, That so much of the foregoing appropriation (not to exceed \$100,000) as may be needed for the Capitol Building and Grounds, Senate Office Building, House Office Buildings, Library of Congress Buildings, United States Botanic Garden Buildings, Capitol Power Plant, Legislative Garage, United States Supreme Court Building, and any other buildings for which the Architect of the Capitol is responsible for structural and mechanical care, shall be transferred on the books of the Treasury from time to time as may be agreed upon by the Architect of the Capitol and the Commissioner of Public Buildings, for direct expenditure by such Architect under the authority of this paragraph, and including professional and technical services without reference to section 35 of the Public Buildings Act of June 25, 1910, as amended.

Salaries and expenses, public buildings and grounds in the District of Columbia and adjacent area: For an additional amount for salaries



and expenses, public buildings and grounds in the District of Columbia and adjacent area, fiscal year 1942, including the objects specified under this head in the Independent Offices Appropriation Act, 1942, \$3,413,394: *Provided*, That the limitation upon the amount which may be expended for purchase, repair, and cleaning of uniforms for guards and elevator conductors for the fiscal year 1942 is hereby waived.

Salaries and expenses, public buildings and grounds outside the District of Columbia: For an additional amount for salaries and expenses, public buildings and grounds outside the District of Columbia, fiscal year 1942, including the objects specified under this head in the Independent Offices Appropriation Act, 1942, \$278,627.

#### PUBLIC ROADS ADMINISTRATION

Access roads: Authority is hereby granted, in addition to the authority granted for the same purpose under this heading in the Third Supplemental National Defense Appropriation Act, 1942, to enter into contracts in the amount of \$25,400,000 for the construction and improvement of access roads and for replacing existing highways and highway connections as described in and in accordance with section 6 of the Defense Highway Act of 1941 (Public Law 295), such authority to continue during the existence of the emergency declared by the President on May 27, 1941.

#### NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

For an additional amount for the fiscal year 1942, to remain available until expended, for continuing construction and equipment of the Aircraft Engine Research Laboratory at Cleveland, Ohio, \$3,500,000: *Provided*, That the limitation of \$13,300,000 upon the total cost of construction and equipment of said Aircraft Engine Research Laboratory is hereby increased to \$18,171,000.

#### SELECTIVE SERVICE SYSTEM

For an additional amount for the operation and maintenance of the Selective Service System for the fiscal year 1942, including the objects specified for the appropriation under this head in the Independent Offices Appropriation Act, 1942, \$3,770,000, which amount, together with the said appropriation and \$3,500,000 of the unobligated balance of the appropriation under this head in the Third Supplemental National Defense Appropriation Act, 1941, shall be consolidated and constitute one fund: *Provided*, That from the date of the approval of this Act to June 30, 1943, the Director of Selective Service, in prescribing per diem rates of allowance, not exceeding \$6, in lieu of subsistence for officers of the Army, Navy, and Marine Corps, and of the reserve components thereof, traveling on official business and away from their designated posts of duty, pursuant to the first paragraph of section 12 of the Act approved June 10, 1922 (42 Stat. 631), as amended, is hereby authorized to prescribe such per diem rates of allowance, whether or not orders are given to such officers for travel to be performed repeatedly between two or more places in the same vicinity, and without regard to the length of time away from their designated posts of duty under such orders.

## VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For an additional amount, fiscal year 1942, for all salaries and expenses of the Veterans' Administration, including the objects and subject to the limitations specified under this head in the Independent Offices Appropriation Act, 1942, \$1,600,000.

Printing and binding: For an additional amount for printing and binding for the Veterans' Administration, fiscal year 1942, \$70,000.

## DISTRICT OF COLUMBIA

### GENERAL EXPENSES

Department of insurance, salaries: For an additional amount for personal services, fiscal year 1942, \$2,445.

Office of Administrator of Rent Control, salaries and expenses: For an additional amount for all expenses necessary in carrying out the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, including personal services and printing and binding, fiscal year 1942, \$5,400.

### CONTINGENT AND MISCELLANEOUS EXPENSES

Contingent expenses: For an additional amount for general necessary expenses of District offices, fiscal year 1942, including the objects and subject to the conditions and limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$7,200.

Postage: For an additional amount for postage for strictly official mail matter, including the rental of postage-meter equipment, fiscal year 1942, \$4,000.

Printing and binding: For an additional amount for printing and binding, fiscal year 1942, including the condition specified under this head in the District of Columbia Appropriation Act, 1942, \$6,500.

### COLLECTION AND DISPOSAL OF REFUSE

Street cleaning: For an additional amount for dust prevention, sweeping and cleaning streets, avenues, alleys, and suburban streets, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$20,000.

Collection and disposal of refuse, expenses: For an additional amount to enable the Commissioners to carry out the provisions of existing law governing the collection and disposal of garbage, and so forth, fiscal year 1942, including the objects and subject to the conditions specified under this head in the District of Columbia Appropriation Act, 1942, \$40,000.

### POLICEMEN AND FIREMEN'S RELIEF

For an additional amount for the fiscal year 1942 to pay the policemen and firemen's relief and other allowances as authorized by law, \$60,000.



## PUBLIC SCHOOLS

Community Center Department: For an additional amount for all expenses necessary for the operation and maintenance of the Community Center Department, fiscal year 1942, including the objects and subject to the conditions specified in the appropriation under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Buildings and grounds: For the completion of six unfinished classrooms at the Lafayette School, fiscal year 1942, to remain available during the fiscal year 1943, \$45,000.

## HEALTH DEPARTMENT

Inspections: For an additional amount for inspections, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Tuberculosis sanatoria, expenses: For an additional amount for provisions, and so forth, fiscal year 1942, including the objects and subject to the limitations specified in the District of Columbia Appropriation Act, 1942, \$40,000.

Repairs and improvements: For an additional amount for repairs and improvements to buildings and grounds, including roads and sidewalks, fiscal year 1942, \$9,173.

Gallinger Municipal Hospital, expenses: For an additional amount for maintenance of the hospital, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$73,700, and the amount specified for purchase (including exchange) of two motortrucks is increased to \$2,400.

Repairs: For an additional amount for repairs and improvements to buildings and grounds, fiscal year 1942, \$6,500.

## COURTS

Municipal court: For an additional amount for contingent expenses, fiscal year 1942, including the objects specified under this head in the District of Columbia Appropriation Act, 1942, \$840.

## PUBLIC WELFARE

Jail: For an additional amount for maintenance and support of prisoners of the District of Columbia at the jail, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$4,650.

Workhouse and reformatory, expenses: For an additional amount for maintenance, care, and support of inmates, fiscal year 1942, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1942, \$12,000.

District of Columbia Training School: For an additional amount for maintenance and other necessary expenses, fiscal year 1942,

including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$15,000.

Industrial Home School for Colored Children: For an additional amount for maintenance, fiscal year 1942, including the objects and subject to the limitation specified under this head in the District of Columbia Appropriation Act, 1942, \$5,000.

#### MILITIA

For an additional amount for personal services and other expenses, fiscal year 1941, including the objects and subject to the limitations specified under this head in the District of Columbia Appropriation Act, 1941, \$1,409.18.

#### DIVISION OF EXPENSES

The foregoing sums for the District of Columbia, unless otherwise therein specifically provided, shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia Appropriation Acts for the respective fiscal years for which such sums are provided.

### DEPARTMENT OF AGRICULTURE

#### FOREST SERVICE

##### SALARIES AND EXPENSES

National forest protection and management: For an additional amount for national forest protection and management, to be used for the care of plantations and young growth, fiscal year 1942, \$500,000, to remain available until June 30, 1943.

Forest-fire control, Department of Agriculture (emergency): For all necessary expenses to enable the Secretary of Agriculture, independently or in cooperation with the various States or other appropriate agencies or individuals, to intensify and augment forest-fire prevention and suppression measures in critical areas on Federal, State, county, municipal, or private lands, including the purchase (not to exceed \$5,000), operation, and maintenance of passenger-carrying vehicles, and not to exceed \$20,000 for personal services in the District of Columbia, fiscal year 1942, \$5,000,000, to remain available until June 30, 1943: *Provided*, That there shall not be expended from this appropriation on non-Federal lands in any State any amount in excess of the amount made available by the State, or private agencies, or individuals for the purposes of this appropriation: *Provided further*, That sections 2 and 3 of the Department of Agriculture Appropriation Act, 1942, or similar provisions in this Act or in the Act making appropriations for said Department for the fiscal year 1943 shall not apply to persons employed hereunder for less than sixty days on sudden emergency work involving the loss of human life or destruction of property.



## BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

Control of incipient and emergency outbreaks of insect pests and plant diseases: To enable the Secretary of Agriculture to carry out the provisions of and for expenditures authorized by the joint resolution approved May 9, 1938 (7 U. S. C. 148-148e), fiscal year 1942, \$1,750,000, to remain available until June 30, 1943.

## EMERGENCY RUBBER PROJECT

For all expenses necessary to enable the Secretary of Agriculture to carry into effect the provisions of the Act of March 5, 1942 (Public Law 473), and in accordance with the provisions thereof, including personal services in the District of Columbia and elsewhere (including alien labor); printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U. S. C. 111); purchase of books of reference and periodicals; the purchase (not to exceed \$13,000), operation, and maintenance of passenger-carrying vehicles; the exchange of passenger-carrying and other motor vehicles, tractors, and other equipment and parts or accessories thereof, in whole or in part payment for similar equipment; the erection of necessary buildings; the procurement of medical supplies and services for emergency use in the field; and the acceptance of donations of land and rubber-bearing plants, \$4,200,000, to remain available until June 30, 1943: *Provided*, That any proceeds from the sales of guayule, rubber processed from guayule, or other rubber-bearing plants, or from other sales resulting from operations under such Act of March 5, 1942, shall be covered into the Treasury as "Miscellaneous receipts": *Provided further*, That the allocations of \$884,000 and \$750,000 for these purposes from the emergency fund for the President in the Independent Offices Appropriation Act, 1942, made by letter Numbered 42-75, dated February 6, 1942, and letter Numbered 42-89, dated March 10, 1942, respectively, shall be transferred to and made a part of this appropriation, and immediately thereafter an amount equal to such allocation shall be repaid to said Emergency Fund for the President (Public Law 473, Seventy-seventh Congress).

## DEPARTMENT OF COMMERCE

## BUREAU OF THE CENSUS

Expenses of the Sixteenth Census: For an additional amount for continuing the work of taking, compiling, and publishing the Sixteenth Census of the United States, fiscal year 1942, including the objects specified under this head in the Department of Commerce Appropriation Act, 1942, \$500,000.

## OFFICE OF ADMINISTRATOR OF CIVIL AERONAUTICS

Enforcement of safety regulations: For an additional amount, fiscal year 1942, for enforcement of safety regulations, including the objects specified under this head in the Department of Commerce Appropriation Act, 1942, \$166,000.

Establishment of air-navigation facilities: For an additional amount, fiscal year 1942, for establishment of air-navigation facilities, including the objects specified under this head in the Department of Commerce Appropriation Act, 1942, \$1,940,000: *Provided*, That this appropriation and the unobligated balances of the appropriations for this purpose contained in said Appropriation Act and in the First Supplemental National Defense Appropriation Act, 1942, shall continue available until June 30, 1943.

Maintenance and operation of air-navigation facilities: For an additional amount, fiscal year 1942, for maintenance and operation of air-navigation facilities, including the objects specified under this head in the Department of Commerce Appropriation Act, 1942, and including the training of employees to be assigned to the operation and maintenance of air-navigation facilities, \$823,720: *Provided*, That the limitation on the amount which may be expended for airport traffic control contained in the First Supplemental National Defense Appropriation Act, 1942, is hereby removed.

Development of landing areas: The unexpended balances of the appropriations under this head made by the First Supplemental Civil Functions Appropriation Act, 1941, the Department of Commerce Appropriation Act, 1942, the First Supplemental National Defense Appropriation Act, 1942, and the Third Supplemental National Defense Appropriation Act, 1942, are hereby consolidated, to be accounted for as one fund, which shall be available until June 30, 1943, for the construction, improvement, and repair of public airports and other public landing areas as authorized in said Acts and for necessary administrative expenses incident thereto, subject to the limitations in said Acts, including engineering services and supervision of construction: *Provided*, That this appropriation shall be available for transfer to other Federal agencies to carry out the purposes hereof as specified under this head in the Department of Commerce Appropriation Act, 1942.

#### COAST AND GEODETIC SURVEY

Amounts appropriated for "Magnetic and seismological work" and "Office force", Coast and Geodetic Survey, in the Department of Commerce Appropriation Act, 1941, are hereby increased by \$380 and \$830, respectively, by transfer from the appropriation contained in said Act for "Field expenses, coastal surveys", Coast and Geodetic Survey.

### DEPARTMENT OF THE INTERIOR

#### OFFICE OF THE SECRETARY

Fire protection of forests, forest industries, and strategic facilities (national defense): For all necessary expenses to enable the Department of the Interior independently or in cooperation with other appropriate agencies to initiate and intensify and augment forest fire prevention and suppression measures on critical forest, brush, and grass areas under the administration of the Department of the Interior, including not to exceed \$8,000 for personal services in the District of Columbia; purchase (not to exceed \$6,000), maintenance, operation, and repair of passenger-carrying automobiles; hire, with



or without personal services, of work animals and animal-drawn and motor-propelled vehicles and equipment; and purchase in the District of Columbia or elsewhere of other items otherwise properly chargeable to the appropriation "Contingent expenses, Department of the Interior", fiscal year 1942, \$812,000, to remain available until June 30, 1943: *Provided*, That for sudden emergency work involving the loss of human life or the destruction of property, persons may be employed for periods of less than sixty days and be paid salaries or wages from this appropriation without the necessity of inquiring into their citizenship or membership in any organization.

Protection of mineral resources and facilities, including petroleum (national defense): For all necessary expenses to enable the Department of the Interior independently or in cooperation with other appropriate agencies, public or private, to initiate and intensify and augment measures to prevent subversive activities from interfering with the extraction and processing of minerals and petroleum, including not to exceed \$50,000 for personal services in the District of Columbia; purchase (not to exceed \$50,000), maintenance, operation, and repair of passenger-carrying automobiles; traveling expenses, including expenses of attendance at meetings of members of societies or associations concerned with the furtherance of the purposes hereof; hire, with or without personal services, of work animals and animal-drawn and motor-propelled vehicles and equipment; not to exceed \$6,000 for printing and binding; purchase of special apparel and equipment for the protection of employees while engaged in their work; and purchase in the District of Columbia and elsewhere of other items otherwise properly chargeable to the appropriation "Contingent expenses, Department of the Interior", fiscal year 1942, \$800,000, to remain available until June 30, 1943.

#### GOVERNMENT IN THE TERRITORIES

Contingent expenses, Territory of Alaska: For an additional amount for incidental and contingent expenses of the offices of the Governor and the Secretary of the Territory, including the objects specified for the appropriation for this purpose in the Interior Department Appropriation Act, 1942, fiscal year 1942, \$1,300, of which \$525 shall be for clerk hire.

Defraying deficits in treasuries of municipal governments, Virgin Islands: For an additional amount, fiscal year 1942, for defraying the deficit in the treasury of the municipal government of Saint Croix because of the excess of current expenses over current revenues for the fiscal year 1942, \$10,000.

#### DEPARTMENT OF JUSTICE

##### IMMIGRATION AND NATURALIZATION SERVICE

Salaries and expenses: For an additional amount for "Salaries and expenses, Immigration and Naturalization Service", fiscal year 1942, including the objects specified under this heading in the Department of Justice Appropriation Act, 1942, \$4,750,000, including alterations, improvements, and repairs to premises occupied for detention purposes without regard to section 322 of the Act of June 30, 1932 (40

U. S. C. 278a), when authorized or approved by the Attorney General, and for all necessary expenses incident to the maintenance, care, detention, surveillance, parole, and transportation of alien enemies, including transportation and other expenses in the return of such aliens to place of bona fide residence or to such other place as may be authorized by the Attorney General.

#### MISCELLANEOUS

Lands Division, salaries and expenses: For an additional amount for salaries and expenses, Lands Division, Department of Justice, fiscal year 1942, including the objects specified under this head in the Department of Justice Appropriation Act, 1942, \$300,000.

Alien Enemy Control Unit, salaries and expenses: For salaries and expenses in connection with the registration and control of alien enemies in accordance with sections 4067-4070 of the Revised Statutes of the United States, as amended (50 U. S. C. 21-24), including personal services in the District of Columbia and elsewhere; traveling expenses; purchase, exchange, rental, and repair of typewriters and other labor-saving office appliances; printing and binding; and all other contingent expenses in the District of Columbia and elsewhere, fiscal year 1942, \$1,700,000, to remain available until June 30, 1943, of which not to exceed \$200,000 may be expended for personal services without regard to the civil service and classification laws: *Provided*, That this appropriation shall be available for transfer to or reimbursement of other public agencies, Federal, State, or local, for assistance rendered hereunder: *Provided further*, That \$325,000 of this appropriation shall be transferred to the emergency fund for the President created by the Independent Offices Appropriation Act, 1942, in reimbursement of said appropriation on account of the advance therefrom of a like sum for the purposes hereof.

### DEPARTMENT OF LABOR

#### OFFICE OF THE SECRETARY

Commissioners of conciliation (national defense): For an additional amount for the fiscal year 1942 for "Commissioners of conciliation (national defense)", including the objects specified under this heading in the Department of Labor Appropriation Act, 1942, \$113,250.

Wage and Hour Division: Not to exceed \$45,000 of the appropriation "Salaries, Wage and Hour Division, Department of Labor, 1942", may be transferred to the appropriation "Miscellaneous expenses, Wage and Hour Division, Department of Labor, 1942".

### POST OFFICE DEPARTMENT

#### (OUT OF THE POSTAL REVENUES)

#### CONTINGENT EXPENSES

Printing and binding: For an additional amount for printing and binding for the Post Office Department, fiscal year 1942, \$235,000.



## DEPARTMENT OF STATE

## PASSPORT AGENCIES

For an additional amount for passport agencies, including the objects specified under this heading in the Department of State Appropriation Act, 1942, \$7,000; and the limitation of \$500 for travel expenses is hereby increased to \$1,100.

## AMBASSADORS AND MINISTERS

Salaries, ambassadors and ministers, 1942: The appropriation for salaries of ambassadors and ministers contained in the Department of State Appropriation Act, 1942, shall be available for salaries of Ambassadors Extraordinary and Plenipotentiary to Bolivia, Ecuador, and Paraguay, at the rate of \$10,000 per annum each, and for the salary of an Envoy Extraordinary and Minister Plenipotentiary to New Zealand at the rate of \$10,000 per annum.

## TREASURY DEPARTMENT

## OFFICE OF THE SECRETARY

Salaries and expenses, Foreign-owned property control: For an additional amount for salaries and expenses, foreign-owned property control, fiscal year 1941, including the objects specified under this heading in the Second Deficiency Appropriation Act, 1940, \$30,412.

For an additional amount for salaries and expenses, foreign-owned property control, fiscal year 1942, including the objects specified under this heading in the Treasury Department Appropriation Act, 1942, \$2,500,000.

## BUREAU OF ACCOUNTS

Division of Disbursement: For an additional amount for the Division of Disbursement, fiscal year 1942, including the objects specified under this heading in the Treasury Department Appropriation Act, 1942, \$200,000: *Provided*, That the responsibility and accountability of certifying officers under the Act of December 29, 1941 (Public Law 389), shall be deemed to include the correctness of the computations of certified vouchers and disbursing officers shall not be held accountable under section 1 of such Act for the correctness of such computations.

There may be transferred with the approval of the Director of the Bureau of the Budget, not to exceed \$75,000 from the appropriation for administrative expenses of the Procurement Division, Treasury Department, contained in section 2 (a) of the Emergency Relief Appropriation Act, fiscal year 1942, to the appropriation for administrative expenses of the Division of Disbursement, contained in the same section of such Act.

## OFFICE OF TREASURER OF UNITED STATES

Salaries: For an additional amount for salaries, Office of Treasurer of United States, fiscal year 1942, including the objects specified

under this heading in the Treasury Department Appropriation Act, 1942, \$100,000.

#### TITLE IV—GENERAL PROVISIONS

SEC. 401. The last proviso under the caption Military Posts in title IV, Military Appropriation Act, 1941 (Public, Numbered 800, Seventy-sixth Congress), is hereby repealed, and section 2 of the First Supplemental National Defense Appropriation Act, 1942, approved August 25, 1941 (Public Law 247, Seventy-seventh Congress), is hereby amended to read as follows:

"SEC. 2. It shall be the duty of the Secretary of War and the Secretary of the Navy, respectively, to file with the Congress, within sixty days after the end of each fiscal year, a complete list of all contracts in excess of \$150,000, including contracts for the purchase of land, undertaken during such fiscal year for the expenditure of funds appropriated by this or any other Act, showing (1) a statement of the subject matter of each contract; (2) the names of the contractors; (3) the names of the persons who approved the specifications, consummated the making or concluded the negotiation of any such contract on behalf of the Government, and of all persons who participated in the negotiations on behalf of the contractor; (4) if any such contract was awarded without competitive bidding, a statement of the principal or controlling reason for the selection of the contractor; and (5) as to contracts for the purchase of land, also the location, area, intended use, the purchase price and assessed value thereof."

SEC. 402. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 403. (a) For the purposes of this section, the term "Department" means the War Department, the Navy Department, and the Maritime Commission, respectively; in the case of the Maritime Commission, the term "Secretary" means the Chairman of such Commission; and the terms "renegotiate" and "renegotiation" include the refixing by the Secretary of the Department of the contract price. For the purposes of subsections (d) and (e) of this section, the term "contract" includes a subcontract and the term "contractor" includes a subcontractor.

(b) The Secretary of each Department is authorized and directed to insert in any contract for an amount in excess of \$100,000 here-



after made by such Department (1) a provision for the renegotiation of the contract price at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is found as a result of such renegotiation to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of \$100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is found as a result of such renegotiation, to represent excessive profits, and (C) a provision for relieving the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

(c) The Secretary of each Department is authorized and directed, whenever in his opinion excessive profits have been realized, or are likely to be realized, from any contract with such Department or from any subcontract thereunder, (1) to require the contractor or subcontractor to renegotiate the contract price, (2) to withhold from the contractor or subcontractor any amount of the contract price which is found as a result of such renegotiation to represent excessive profits, and (3) in case any amount of the contract price found as a result of such renegotiation to represent excessive profits shall have been paid to the contractor or subcontractor, to recover such amount from such contractor or subcontractor. Such contractor or subcontractor shall be deemed to be indebted to the United States for any amount which such Secretary is authorized to recover from such contractor or subcontractor under this subsection, and such Secretary may bring actions in the appropriate courts of the United States to recover such amount on behalf of the United States. All amounts recovered under this subsection shall be covered into the Treasury as miscellaneous receipts. This subsection shall be applicable to all contracts and subcontracts hereafter made and to all contracts and subcontracts heretofore made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause, provided that final payment pursuant to such contract or subcontract has not been made prior to the date of enactment of this Act.

(d) In renegotiating a contract price or determining excessive profits for the purposes of this section, the Secretaries of the respective Departments shall not make any allowance for any salaries, bonuses, or other compensation paid by a contractor to its officers or employees in excess of a reasonable amount, nor shall they make allowance for any excessive reserves set up by the contractor or for any costs incurred by the contractor which are excessive and unreasonable. For the purpose of ascertaining whether such unreasonable compensation has been or is being paid, or whether such excessive

reserves have been or are being set up, or whether any excessive and unreasonable costs have been or are being incurred, each such Secretary shall have the same powers with respect to any such contractor that an agency designated by the President to exercise the powers conferred by title XIII of the Second War Powers Act, 1942, has with respect to any contractor to whom such title is applicable. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of each such Secretary and the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purposes of making examinations and determinations with respect to profits under this section.

(e) In addition to the powers conferred by existing law, the Secretary of each Department shall have the right to demand of any contractor who holds contracts with respect to which the provisions of this section are applicable in an aggregate amount in excess of \$100,000, statements of actual costs of production and such other financial statements, at such times and in such form and detail, as such Secretary may require. Any person who willfully fails or refuses to furnish any statement required of him under this subsection, or who knowingly furnishes any such statement containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or imprisonment for not more than two years, or both. The powers conferred by this subsection shall be exercised in the case of any contractor by the Secretary of the Department holding the largest amount of such contracts with such contractor, or by such Secretary as may be mutually agreed to by the Secretaries concerned.

(f) The authority and discretion herein conferred upon the Secretary of each Department, in accordance with regulations prescribed by the President for the protection of the interests of the Government, may be delegated, in whole or in part, by him to such individuals or agencies in such Department as he may designate, and he may authorize such individuals or agencies to make further delegations of such authority and discretion.

(g) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

(h) This section shall remain in force during the continuance of the present war and for three years after the termination of the war, but no court proceedings brought under this section shall abate by reason of the termination of the provisions of this section.

SEC. 404. No part of any appropriation contained in this Act or authorized hereby to be expended (except as otherwise provided for herein) shall be used to pay the compensation of any officer or employee of the Government of the United States, whose post of duty is in continental United States unless such person is a citizen of the United States, or a person in the service of the United States on the date of the approval of this Act who being eligible for citizenship had theretofore filed a declaration of intention to become a citizen or who owes allegiance to the United States. This section shall not apply to citizens of the Commonwealth of the Philippines.



SEC. 405. Section 302 (c) of the Treasury and Post Office Departments Appropriation Act, 1942, and section 302 (c) of the Treasury and Post Office Departments Appropriation Act, 1943, are hereby repealed; and the limitation of \$750 specified in section 302 (a) of each of such Acts and any similar limitation of the same or a lesser sum specified in any other appropriation Act for such fiscal years may be exceeded by such amount as the Secretary of War, in the case of the War Department, the Secretary of the Navy, in the case of the Navy Department, the Commissioners of the District of Columbia, in the case of the Government of the District of Columbia, and the Director of Procurement, in the case of other essential governmental needs, may determine necessary to obtain satisfactory motor-propelled passenger-carrying vehicles of the lightweight, low-priced class, but in no event shall the price so paid for any such vehicle exceed \$925 free on board factory: *Provided*, That purchases of automobiles of the lightweight, low-priced class heretofore made by the War and Navy Departments at prices in excess of \$750 each but not in excess of those permitted by this section are hereby validated.

SEC. 406. This Act may be cited as the "Sixth Supplemental National Defense Appropriation Act, 1942".

Approved, April 28, 1942.

